12 October 2017

The Hon. Lily D’Ambrosio MP
Minister for Energy, Environment and Climate Change
PO Box 500
EAST MELBOURNE VIC 8002

Dear Minister,

ALPINE RESORTS CO-ORDINATING COUNCIL 2016–17 ANNUAL REPORT

In accordance with the Financial Management Act 1994, I am pleased to present the Annual Report of the Alpine Resorts Co-ordinating Council for the year ending 30 June 2017.

The attached 2016–17 Annual Report highlights the key activities and programs undertaken by Council during the past year and outlines the progress made on the tasks and projects outlined in our current Corporate Plan.

I trust that you find the enclosed report informative and useful.

Yours sincerely

Bill Jaboor
Chairperson
In accordance with the relevant provisions of the *Financial Management Act 1994*, this report covers the period 1 July 2016 to 30 June 2017.
Chairperson’s Report

During the 2016/17 financial year, the Council continued to focus on the implementation and delivery of the Victorian Alpine Resorts Strategic Plan 2012 (2012 Plan).

After nearly five years it is pleasing that many of the 58 actions within the 2012 Plan have been completed or are on track for completion within the timeframes of the 2012 Plan, either through Council’s own activities or through the actions of industry, agency, Alpine Resort Management Boards (ARMBs) and department partners.

During the reporting period, the government released the Alpine Resorts Governance Reform Discussion Paper. That paper proposed two options for future governance of the alpine resorts, namely a single authority to manage the operations of all Victorian alpine resorts or two authorities: a northern authority to manage Falls Creek, Mt Buller & Mt Stirling and Mt Hotham; and a southern authority to manage Lake Mountain and Mt Baw Baw. In either case the existing ARMBs and Council would be replaced, with DELWP being the key source of alpine policy advice and strategic frameworks.

Notwithstanding the proposed changing operating environment, it is pleasing to be able to report Council’s progress on a range of important matters.

A particular highlight was the hosting of the Alpine Industry Conference ‘Managing a Changing Landscape’ in May 2017. The conference, conducted in a panel sessions format, brought together a range of highly credentialed and engaging speakers. Over 100 delegates from across the alpine sector attended, with overwhelmingly positive feedback being received.

In addition to the range of longitudinal research projects undertaken by Council, ARMBs and industry partners, into snow depth, visitor satisfaction and winter and summer visitation, Council released the reports of two key pieces of commissioned research during the reporting period; namely The Victorian Alpine Resorts Economic Contribution Study and the Green Season Research Report.

Council continues to provide a forum for consultation with a range of industry and government partners and continues to foster co-operation. I would particularly like to thank the ARMBs and their staff, as well as industry partners and staff, in assisting the Council to deliver on its mission statement and I would also like to acknowledge the positive contribution of Council members and Council staff in ensuring the successful operation of the Council.

Bill Jaboor
Chairperson
Summary of Achievements in 2016–17

Key Activities and Programs
The Council has continued to act as a vehicle for consultation with the Minister for Energy, Environment and Climate Change on behalf of industry and has worked collaboratively with the sector on relevant issues.

This has involved the Council ensuring it has productive relationships with a range of stakeholders including its four Victorian Alpine Resort Management Boards (ARMBs), the Department of Environment, Land, Water and Planning (DELWP), the Minister’s Office, Visit Victoria (VV), Regional Development Victoria (RDV), the Alpine Resorts Industry Advisory Group (ARIAG) and other key alpine industry organisations and bodies.

Council’s Corporate Plan 2016-17 has guided its activities across the year, including the thirteen actions listed in the Alpine Resorts Strategic Plan 2012 (2012 Plan) for which the Council is the lead agency. Of the thirteen actions, all except three have been completed. Key actions achieved during the reporting period included the completion and release of the report The Potential Impacts of Climate Change on the Victorian Alpine Resorts, prepared by the University of Tasmania and the submission and endorsement by the Minister of the Master Plans for Falls Creek and Mount Hotham. Three remain, as follows:

- Action 21 – ‘Develop and Implement Industry and Resort Specific Climate Adaptation Plans’ which has now been incorporated into a broader piece of work being undertaken by DELWP; and
- Actions 53 and 56 – ‘Industry Performance to be Assessed Against KPIs’ and ‘Monitor and Report on Implementation of the Alpine Resorts Strategic Plan 2012’, which are both on track for completion by 31 December 2017.

In keeping with one of its main functions, the Council assisted the industry’s forward planning by commissioning two research projects:

- a qualitative report on the Green Season, completed in April 2017, that will assist in understanding the barriers and motivations of those who currently visit the alpine resorts and those who have not previously visited the alpine areas of Victoria during the November/April period; and
- a further report into the Alpine Resorts’ Economic Contribution to Victoria, that was completed in June 2017 and continues the series of longitudinal economic studies going back to the early 1990s.

Both these studies will continue to add to the general body of industry knowledge and will serve as key reports that will benefit both government and industry.

The state-wide co-operative marketing campaign, ‘Snow Victoria’ continued to deliver benefits over the winter season. Council’s enduring co-operation with Visit Victoria and it’s new ‘Wander Victoria’ campaign was a key factor in enhancing the impact of the Snow Victoria message over the winter period. On-going engagement of key industry stakeholders and the ARMBs, through an Industry Steering Committee, assisted in broad information sharing and leveraging opportunities.

As part of the Victorian Alpine Resorts Development Program (VARDP), a series of capital projects were submitted for funding consideration as part of the state budget bid process. These comprised:

- Falls Creek ARMB’s Altitude Training Facility;
- Mount Buller/Mount Stirling ARMB’s Water Storage Project;
- Mount Hotham ARMB’s Central Precinct Development Project; and
- the Southern ARMB’s Lake Mountain All Weather Snow Making and Trees Adventure Project.
The focus of this area of Council’s work program is the progression of the 2012 Plan and implementation of its various supporting actions. At a higher level, an emphasis has been placed on embedding the integrated state-wide model for marketing Victoria’s alpine resorts, facilitating capital project proposals through the VARDP, monitoring the finalisation of Alpine Resort Master Plans and contributing to a broader sector response to climate adaptation planning.

Implementation of the Alpine Resorts Strategic Plan 2012

The 2012 Plan was released in December 2012, following endorsement by the Victorian Government. The plan is designed to take an integrated approach to a range of opportunities and challenges that continue to face the alpine industry. It outlines a framework and direction for the development, promotion, management and use of Victoria’s six alpine resorts: Falls Creek, Lake Mountain, Mount Baw Baw, Mount Buller, Mount Hotham and Mount Stirling.

To achieve the vision of the plan for Victoria’s alpine resorts to be ‘vibrant, growing and environmentally sustainable places, that deliver alpine recreational and tourism experiences that are available to all’, a series of actions built around six strategic objectives have been outlined. The progressive achievement of these actions will lead to better long-term viability of the sector by building on the competitive strengths of individual alpine resorts in both the winter and the green seasons.

Implementation of the 2012 Plan involves collaboration between several parties including Council, ARMBs, DELWP, the alpine industry and other public entities. The Council is responsible for several actions under each of the strategic objectives (including several shared actions with industry partners and government agencies). It continues to be accountable for monitoring and reporting on the implementation of the 2012 Plan over its 5-year time frame. The Council provides a comprehensive Annual Evaluation Report and a mid-year exceptions report to the Minister.
Implementation of the 2012 Plan has progressed well since its release in 2012. As the 5-year time frame for implementation of the plan is drawing to a close, 54 of the 58 actions under the plan have either been completed, are ongoing or, with the passing of time, are no longer required.

Council is focusing its efforts on progressing or completing the following actions:

- Action 21 – Progress climate adaptation planning;
- Action 53 – Assess industry performance against KPIs; and
- Action 56 – Continue to monitor and report on the 2012 Plan including completion of an overall evaluation/review in preparation for the development of the next Strategic Plan.

Alpine Resort Master Plans

The 2012 Plan required ARMBs to prepare a Master Plan for each alpine resort. The Master Plans were to reference native vegetation provisions, precinct development plans, infrastructure plans and fire and emergency management plans.

Council’s role is to work with ARMBs and DELWP to ensure the Master Plans are consistent with the 2012 Plan and the framework developed by the Council, in conjunction with ARMBs.

During the reporting period completed Falls Creek and Mt Hotham ARMB Master Plans were provided to both the Council and DELWP for final comment and feedback and subsequently submitted to the Minister for consideration.

Both ARMBs’ Master Plans were endorsed by the Minister for Energy, Environment and Climate Change on 18 December 2016.

Master Plans for both Lake Mountain ARMB and Mt Baw Baw ARMB had been previously deferred, due to the pending amalgamation of the ARMBs. With the inception of the Southern ARMB in January of 2017, the outcome of further strategic planning by the new ARMB for both resorts is currently being assessed by DELWP.

Marketing the Alpine Resorts

The Council is a state partner and lead agency in delivering key projects from the Alpine Resorts Strategic Marketing Plan 2014 -2018. The Council, in conjunction with Visit Victoria (formerly Tourism Victoria) are lead partners in related actions 15, 19 and 23 ‘Develop a co-operative marketing campaign to raise the profile of snow, to re-engage priority markets and inspire a snow holiday’.

Following the successful delivery of the 2014, 2015 and 2016 Snow Victoria campaigns, the Council continues to take the on-going role of lead agency for this marketing activity.

As an industry co-operative marketing campaign, Snow Victoria is primarily funded from ARMB contributions.

The 2017 Snow Victoria campaign activities commenced in April, during the Victorian school holidays, with two-weeks of cinema advertising designed to place a desire for a snow experience in the minds of priority market segments, including families, for the July school holidays. Digital activity commenced in mid-May 2017 to coincide with snow falls, with supporting television advertising.

Victorian Alpine Resorts Development Program

The 2012 Plan requires the establishment of an integrated program of infrastructure priorities for the Victorian alpine resorts. The 2012 Plan states that VARDP will be a rigorous process for identifying and pursuing high priority public and private infrastructure investment initiatives within the Victorian alpine resorts. It is intended to maximise the public value that is achievable from the Victorian alpine resorts and enhance regional development.

The VARDP Policy was endorsed by the then Minister for Environment and Climate Change in September 2014. This followed the Council undertaking significant consultation with the industry to develop the program. A key output of the program is the Victorian Alpine Resorts Infrastructure Project List. This identifies the infrastructure investment priorities across the Victorian alpine resorts and current stage of development (concept, feasibility or business case completed). Projects on the list undergo a
Co-ordination and Co-operation

This work program area focuses on facilitating co-ordination and co-operation between ARMBs, with industry and across government, with a focus on engagement and advocacy on matters that are of sector-wide importance, but with a particular focus on the support of operational activity.

ARMB Uniform Reporting Framework

The 2012 Plan required the development and implementation of a uniform, simple and robust reporting framework for use by ARMBs in their regular reporting to the Minister. Twice a year, ARMBs provide the following information to Council:

- financial reports, and
- a report identifying key successes, issues and risks associated with statutory obligations, governance, and the implementation of strategic and business plans.

During the reporting period ARMB uniform reporting timeframes changed in line with the introduction of a new financial year period from 1 January to 31 December (originally 1 November to 31 October).

Inter-resort Co-operation

Inter-resort co-operation remained a focus for Council, and it provided forums for promoting capacity building and knowledge sharing between the alpine resorts. In particular, the Council continued to support regular meetings of the ARMB Chairs and CEOs by way of acting as the secretariat for the Co-operation Committee. A Parks Victoria (PV) representative also actively participated on this Committee throughout the year. Council, in supporting inter-resort co-operation, has consciously sought to engage in projects that are seen as beneficial to all alpine resorts, highlighting issues of common interest. One meeting is held on-mountain, rotating between the alpine resorts, to facilitate a greater shared understanding of on-ground developments and issues. The on-mountain meeting in 2016-17 was held at Lake Mountain.

Alpine Industry Conference 2017

Council delivered an engaging and thought-provoking industry conference with the theme of ‘Managing a Changing Landscape’. Held in Marysville, it successfully attracted over 100 delegates. The conference offered a simple premise, to bring alpine industry groups together to hear from leading experts on key topics facing the alpine industry today and into the future. Delegates from a range of government, community and private organisations participated in open discussions; sharing comments and asking questions, with delegates enjoying the networking opportunities. The conference featured three facilitated panel sessions, comprising ‘Victorian Government Priorities’, ‘Climate Impacts and the Alpine Resorts’ and ‘The Visitor Economy, Economic Impact and Alpine Market Segments’. Post-conference feedback was extremely positive.
Alpine Resorts Industry Advisory Group
The establishment of a peak industry group - ARIAG – was a key recommendation in the 2012 Plan in order to provide an on-going mechanism for discussion of industry-driven issues. Its membership includes broad industry representation, comprising: Lift Companies, Chambers of Commerce, Local Councils, Regional Tourism Boards and key user groups.

ARIAG has become an effective forum to engage with the stakeholders of the Victorian alpine resorts. The group has provided valuable input into a number of programs including input during the reporting period into: on-going work on climate change and adaptation; the Government’s Alpine Resorts Governance Reform Project; possible changes to the Traditional Owner Settlement Act 2010; and, the 2016 Economic Contribution Study. It has also been proactive in raising matters of concern to the industry.

Industry Access & Equity Plan
The 2012 Plan requires Council to investigate mechanisms and establish criteria whereby any site holders meeting agreed access and equity goals could receive suitable discounts. A policy was developed prior to the reporting period. During the reporting period Council worked with DELWP to explore funding opportunities, however, none was forthcoming. As a consequence, the plan is not proceeding at this time.

Securing and Stabilising ARMB Revenue
Arising out of its consideration of possible access and equity incentives, Council established a working party to consider more broadly mechanisms by which ARMB revenue could be secured and stabilised in the longer term. This project is separate from, but related to, consideration of long-term access and equity incentives for site holders. During the reporting period, a policy proposal developed by the working party was considered by Council’s Co-operation Committee. The proposal was judged to have merit by the Committee but not supported for implementation at this time.

Stakeholder Engagement
Council has developed a stakeholder engagement framework that is used to guide Council’s engagement and consultation processes and form the basis of project-specific stakeholder engagement plans. In addition, Council officers undertake the secretariat function for ARIAG.

All Resorts Season Entry Pass
Council co-ordinated the delivery of an All Resorts Season Entry Pass Program during the 2016 winter season. The pass provides a cost effective and convenient mechanism for people wishing to visit multiple alpine resorts during the snow season. Council has again worked with each of the ARMBs to offer for sale a similar pass for the 2017 winter season.

Knowledge and Understanding
This work program area has focused on sector-wide data collection and collation, research, assessment and understanding. Published reports can be found on the Council’s website on the ‘Publications & Research’ page.

Summer Visitation Survey
To reflect the need for sound statistics to measure the success of green season initiatives, Council together with the ARMBs, commenced a summer vehicle survey program in 2007-08. Vehicle occupancy surveys commenced in 2008-09. The survey continues to be conducted annually from the Melbourne Cup weekend until Anzac Day.

Visitor Satisfaction Survey
Since 2009, Council has partnered with the ARMBs and lift companies to undertake a survey of visitor satisfaction. The survey, builds on a previous survey undertaken by the Australian Ski Areas Association. The survey was again conducted at resorts during the 2016 winter season. The high-level, all resort results were published in the 2016 Winter End of Season Report. Council continues to work with its partners to improve the survey methodology and veracity of the data collected, with the survey being undertaken largely online during the 2016 winter season.
Winter Visitor Counting Survey
The Council continued its winter visitor counting project, again incorporating a survey of season permit holders at all alpine resorts and standardised procedures to ensure the accurate counting of all visitors. Council worked closely with the ARMBs to collect, collate and publish weekly visitor statistics. These results are published on Council’s website and are also available via a web-based, self-select email system. As well as releasing weekly statistics, adjusted end of year statistics were produced, which took into account the results of the season permit holder survey.

Snow Data Reporting Project
The Council again collected and collated the daily snow data produced for the Snow Victoria Snow Reports. Council also maintains the historical records. The daily snow depth statistics are a vital tool for promoting visitation and long-term development planning of the alpine resorts. The collected data is included in Council’s Winter 2016 End of Season Report.

Winter End of Season Report
Using both historical and current information collected by the Council on winter visitation and snow depth, the Council produced its eleventh annual report, the Victorian Alpine Resorts Winter 2016 End of Season Report, during the reporting period. The report consolidates into a readily accessible single document a wealth of detailed information that will assist those involved in the planning, use and development of the alpine resorts – as well as being of great interest to snow sports enthusiasts. It provides graphical representation of the 2016 winter season and commentary. Annual snow depth data, estimates of economic significance and high-level, all resort visitor satisfaction survey results were also included.

In addition to, and prior to, the release of the detailed Winter End of Season Report, the Council also produced a Fact Sheet, which provides a ‘snapshot’ of the winter season in the form of a single sheet ‘flyer’.

Victorian Economic Significance Study
In June 2016 the Council commissioned Ernst & Young (EY) to conduct a study to update the previous 2011 research into the economic significance of the Victorian Alpine Resorts to local, regional and the state economies, in both winter and summer. Council has conducted such studies on a five-yearly basis for many years. Primary surveys of visitors, businesses and employees took place during winter 2016 and the 2016-17 summer period. The winter final report was completed in April 2017, with the summer final report and combined summary report completed in June 2017. All reports are available on Council’s website.

Industry Research Program Review
As an ongoing action under the Corporate Plan 2016-17, Council reviews its current industry research annually to ensure that it both meets the needs of the industry and enables KPIs to be reported upon.

Green Season Research
In October 2016 Council commissioned a study to understand and articulate the motivations and barriers for ‘Green Season’ engagement and help develop a value proposition that may increase Victorian alpine visitation during spring, summer and autumn months. The contract was awarded to EY Sweeney. The final report was published in April 2017.

Corporate Governance
As a public sector entity, the Council is subject to a range of governance standards and requirements. In addition, being a ‘public body’ for the purposes of the Financial Management Act 1994, further requirements must be met, including those set out under the Minister for Finance’s ‘Financial Management Compliance Framework’.

Under this work program, Council has established an annual corporate planning calendar that sets out its corporate governance requirements and associated timing, consistent with good corporate governance principles. It has also developed a range of financial and governance policies to guide both members and staff. Council has a number of committees, including an Audit and Risk Management Committee, to assist it to properly manage its business and corporate governance requirements.
## Performance Indicators

### Business Plan Outputs

<table>
<thead>
<tr>
<th>Strategic Positioning</th>
<th>2016–2017 Performance Indicator</th>
<th>Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monitor and report on implementation of all actions in the 2012 Plan to the Minister by December 2016.</td>
<td>Achieved.</td>
<td></td>
</tr>
<tr>
<td>Development of climate adaptation planning, in conjunction with DELWP and ARMBs, is progressed.</td>
<td>Progressing as part of a broader DELWP response.</td>
<td></td>
</tr>
<tr>
<td>Monitor and report on the development and implementation of ARMB Master Plans.</td>
<td>Achieved.</td>
<td></td>
</tr>
<tr>
<td>Council actions within the Alpine Resorts Strategic Marketing Plan are implemented within stated timelines.</td>
<td>Achieved.</td>
<td></td>
</tr>
<tr>
<td>Implementation of the Alpine Resorts Strategic Marketing Plan is monitored and reported to stakeholders annually.</td>
<td>Reporting process proposed but not progressed.</td>
<td></td>
</tr>
<tr>
<td>Implement the on-going Victorian Alpine Resorts Development Program, as a rolling five-year program.</td>
<td>Achieved.</td>
<td></td>
</tr>
<tr>
<td>Strategic Communications Program maintained.</td>
<td>Achieved.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Co-ordination and Co-operation</th>
<th>2016-17 Performance Indicator</th>
<th>Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide mid-year and end of year uniform reporting of ARMBs to the Minister.</td>
<td>Achieved.</td>
<td></td>
</tr>
<tr>
<td>Facilitate industry co-operation and engagement, including three Co-operation Committee meetings, an industry forum/conference, two meetings of the Alpine Resorts Industry Advisory Group and ongoing engagement with DELWP and other government agencies.</td>
<td>Achieved.</td>
<td></td>
</tr>
<tr>
<td>Implement an Access and Equity Plan, consistent with Ministerial decision.</td>
<td>Ministerial advice received. Plan not proceeding at this time.</td>
<td></td>
</tr>
<tr>
<td>Securing &amp; Stabilising ARMB Revenue Working Group to prepare advice for consideration by June 2016.</td>
<td>Advice considered in October 2016.</td>
<td></td>
</tr>
<tr>
<td>Stakeholder Engagement Framework is in place and used as required.</td>
<td>Achieved.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Knowledge and Understanding</th>
<th>2016-17 Performance Indicator</th>
<th>Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top line 2016 winter research fact sheet released by February 2017.</td>
<td>Achieved.</td>
<td></td>
</tr>
<tr>
<td>Undertake the five-yearly economic significance study in winter 2016 and summer 2016/17.</td>
<td>Achieved.</td>
<td></td>
</tr>
<tr>
<td>Council’s current research programs continue to meet industry needs.</td>
<td>Achieved.</td>
<td></td>
</tr>
</tbody>
</table>
Performance Indicators
Business Plan Outputs (continued)

Corporate Governance

<table>
<thead>
<tr>
<th>2016-17 Performance Indicator</th>
<th>Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed Corporate Plan and Business Plan presented to the Minister by 31 July 2016.</td>
<td>Achieved.</td>
</tr>
<tr>
<td>All Council functions and proceedings undertaken in accordance with the requirements of the Alpine Resorts (Management) Act 1997, Financial Management Act 1994 and other relevant legislation and government policy.</td>
<td>Achieved.</td>
</tr>
<tr>
<td>Financial Management Compliance Framework compliance certificate provided to the Minister by 30 September 2016.</td>
<td>Achieved.</td>
</tr>
</tbody>
</table>

Performance Indicators
Council Outcomes

Mission Statements

To drive responsible use of Victoria's Alpine Resorts by:

1. Strategic positioning of, and advocacy for, alpine resorts and the broader alpine industry; Council’s profile is well established with on-mountain and government stakeholders, due in part to Council’s stewardship role in developing implementing and monitoring the 2012 Plan, its role in undertaking, analysing and disseminating industry research and Council’s focus on advocacy and communication activities related to strategic positioning of the alpine industry. Economic contribution of the alpine resorts for winter and summer is shown in Figure 1 (below).

2. Developing strong and co-operative stakeholder partnerships, through programs and projects; Council continues to develop partnerships with a range of private and public bodies, including Council’s lead role in the development and implementation of state-level co-operative marketing initiatives.

3. Building knowledge of their unique values, assets and opportunities; Council undertakes a range of economic, visitation and market research projects to build knowledge, as well as promotional activities, including web-based and other communication activities.

4. Promoting alpine tourism to grow visitation; All alpine resorts undertake a range of promotional activities. Consistent with its role in state-level marketing, Council has managed the delivery of the Victorian state-wide co-operative winter campaign since 2014. Winter and summer visitation over the decade is shown in Figure 2 (below).

5. Fostering proactive environmental and cultural stewardship; and, Whilst primary responsibility for these matters sits with ARMBs, Council continues to foster opportunities and provide relevant forums, including a website for dissemination of information on ARMB environmental activities and consideration in individual alpine resort Master Plans. In relation to cultural stewardship, ARMBs continue to engage with Traditional Owners on a resort-specific basis.

6. Working closely with ARMBs, DELWP, VV, RDV, PV and other land managers. Council continues to work with a range of bodies in relation to specific initiatives, as well as regular forums involving ARMBs, DELWP, PV and VV.
Figure 1 All Resorts Winter and Summer Economic Contribution

**Gross State Product ($2016 m)**

Ernst & Young, June 2017, Victorian Alpine Resorts Economic Contribution Study Summary Report – 2016/17

Figure 2 All Resorts Winter and Summer Visitation (Past 10 years)

Winter Entry Statistics – ARMBs until 2004; ARCC 2005 onwards. Winter season from Queen’s Birthday weekend until 1st weekend in October.

Summer ARCC Visitation Surveys 2007 onwards. Summer season from Melbourne Cup weekend until ANZAC Day.
Financial Summary of Operational Results and Financial Position

The Council receives its funding mainly by way of contributions from the ARMBs. Its major expense items arise from the cost of the provision of administrative services (comprising salaries and on costs), Members fees and expenses, and projects.

Five Year Financial Summary

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Revenue from Board contributions</td>
<td>928,684</td>
<td>1,071,120</td>
<td>926,044</td>
<td>730,292</td>
<td>649,708</td>
</tr>
<tr>
<td>Marketing the Alpine Resorts</td>
<td>430,637</td>
<td>460,404</td>
<td>811,499</td>
<td>395,000</td>
<td>0</td>
</tr>
<tr>
<td>Other revenue</td>
<td>195,432</td>
<td>49,223</td>
<td>67,485</td>
<td>38,762</td>
<td>131,083</td>
</tr>
<tr>
<td>Total revenue</td>
<td>1,554,753</td>
<td>1,580,747</td>
<td>1,805,028</td>
<td>1,164,054</td>
<td>780,791</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>1,396,444</td>
<td>1,620,432</td>
<td>1,532,017</td>
<td>1,054,136</td>
<td>806,234</td>
</tr>
<tr>
<td>Net operating result</td>
<td>158,309</td>
<td>(39,685)</td>
<td>273,017</td>
<td>109,918</td>
<td>(25,433)</td>
</tr>
<tr>
<td>Total assets</td>
<td>756,828</td>
<td>526,999</td>
<td>659,737</td>
<td>444,591</td>
<td>132,025</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>139,251</td>
<td>67,731</td>
<td>160,784</td>
<td>228,441</td>
<td>25,793</td>
</tr>
</tbody>
</table>

In the financial year ending 30 June 2017, the Council’s result was attributed to the following:

- contributions from ARMBs decreased due to a decline in the number of projects undertaken by Council during the reporting period;
- marketing the Alpine Resorts contributions decreased in line with contract milestone payments;
- other revenue increased as a result of drawing down the balance of the Trust fund and conducting an Alpine Industry Conference this financial year;
- operating expenses were lower due to a decline in the number of projects.

During 2016-17, Council delivered 9 projects as outlined in its Corporate Plan and accompanying budget.

The increase in Total Assets is a result of a carry- over of the committed funds for the co-operative marketing program as recognised in the balance sheet.

The increase in Total Liabilities is due to an increase in the level of accruals.

There were no events occurring after the balance date which may affect the Council’s operations in subsequent reporting periods.

Council had budgeted for a balanced outcome for the 2016-2017 financial year, but due to the co-operative marketing campaign occurring over two financial years, a surplus was generated that is committed in the next financial year.
The Council

Establishment, Objectives and Functions
The Council was established in accordance with the provisions of the Alpine Resorts (Management) Act 1997 (the Act) and is a statutory body corporate. The responsible Minister for the period from 1 July 2016 to 30 June 2017 was the Hon Lily D’Ambrosio MP, Minister for Energy, Environment and Climate Change.

The purpose of the Council is to undertake the statutory functions as set out in Section 18 of the Act. Some of Council’s functions are quite prescriptive while others are much broader.

Prescriptive functions are:
- to review and co-ordinate the implementation of the Alpine Resorts Strategic Plan;
- to monitor the development and implementation of Alpine Resort Master Plans (Strategic Management Plans) for each alpine resort; and
- to co-ordinate, in conjunction with Visit Victoria (formerly Tourism Victoria, established under the Tourism Victoria Act 1992), the overall promotion of alpine resorts.

Broad functions are:
- to plan for and facilitate the establishment, development, promotion, management and use of alpine resorts in accordance with the object of this Act;
- to undertake research into alpine resort issues;
- to liaise with and encourage the co-operation of all State and local government authorities, industries, communities and other persons involved in the development, promotion, management and use of alpine resorts;
- to make recommendations to the Minister on matters related to the provision and improvement of services and facilities in alpine resorts;
- to make recommendations to the Minister on any matter relating to alpine resorts in respect of which the Minister has asked for recommendations;
- to attract investment for the improvement of alpine resorts; and
- to carry out any other function conferred on the Council by or under this or any other Act.

In carrying out its functions and powers the Council is subject to the general direction and control of the Minister for Energy, Environment and Climate Change.

It provides a source of independent advice to the Government, whilst working closely with relevant Government departments and agencies. In undertaking its functions, Council works collaboratively with the ARMBs for whole-of-industry benefit.

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

Council’s Mission
To drive responsible use of Victoria’s alpine resorts by:
- strategic positioning of, and advocacy for, alpine resorts and the broader alpine industry;
- developing strong and co-operative stakeholder partnerships, through programs and projects;
- building knowledge of their unique values, assets and opportunities;
- promoting alpine tourism to grow visitation;
- fostering proactive environmental and cultural stewardship; and,
- working closely with each ARMB, DELWP, RDV, VV and other land managers, including PV.
Services Provided
Council addresses key issues relating to the alpine resorts, including strategic positioning and advocacy, co-operation, and research. It provides:

• a focus for co-ordinated discussion, advocacy and consultation on issues of broad concern to Alpine Resort stakeholders;
• an avenue through which co-ordinated action can occur; and
• a mechanism for consultation with the Minister and through which the Minister may seek advice and refer matters for consideration.

Council has an important strategic planning role to set the framework for investment, promotion, management and use of the alpine resorts and a monitoring responsibility for the strategic planning of individual alpine resorts. The Council also has the ability to undertake marketing and communications, research and the seeking of investment. It undertakes strategic research projects, policy analysis and communications; co-ordinates marketing; conducts forums and fosters co-operation.

The Council does not provide any services of an operational nature for the alpine resorts.

Relationships
As a co-ordinating body, the continued development and maintenance of stakeholder relationships forms an integral part of the Council’s work and is essential in undertaking its functions.

The Council has forged a range of public agency/private partnerships with agencies and organisations within Victoria and interstate. These partnerships may be for specific projects or of an ongoing nature.

Formal partnerships include those with DELWP, VV, the Australian Ski Areas Association, PV, the NSW Parks and Wildlife Service and Australian Alps National Landscapes Inc. Council has also developed an array of informal relationships such as those with Lift Companies, the Australian Alps Liaison Committee, Regional Tourism Boards, Local Government Shires, Snowsafe Inc, the Victorian Snowsports Association, VicRoads, and the like.

Council has also maintained membership of the Tourism and Transport Forum (TTF), which is providing the Victorian alpine resorts with access to TTF’s resources and high-level negotiation and policy skills.

The Council relies on DELWP for the provision of a range of administrative support services, principally the allocation of staff. This relationship is formalised by a Memorandum of Understanding.

Community Inclusiveness
The Council is committed to policies, programs and strategies servicing all Victorians, including culturally and linguistically diverse communities, seniors, people with disabilities, women, youth and Aboriginal Victorians, in the management, use and enjoyment of Victoria’s alpine resorts. All staff are required to complete cultural awareness training where available, which assists in developing a greater awareness of the issues facing Indigenous communities.

Council has continued to work with the ARMBs as they implement actions to achieve positive Aboriginal cultural outcomes and partnerships, as set out within the 2012 Plan. Council continues to work with ARMBs and contribute to the further development of social equity and social capital outcomes within the Resorts, in particular DELWP’s Aboriginal Inclusion Plan 2016-2020: ‘Munganin-Gaghaba; Achieve Together’.
Organisational Structure and Corporate Governance Arrangements

Organisational Structure
The Council reports to the Minister for Energy, Environment and Climate Change and is led by a Chairperson appointed by the Governor in Council. The Council operates by holding regular meetings and undertaking work through a committee structure. It is supported by a small secretariat managed by an Executive Officer.
**Council Membership**

Section 17 of the Act provides that the Council consists of the Chairperson and four members appointed by the Governor in Council and the Chairpersons of each ARMB.

The Council members bring together considerable knowledge in both public and private sector business management, legal issues, the alpine tourism industry, resort management and land management.

**Bill Jaboor**  
Chairperson (1 July 2016 – present)

Bill has been a local government professional in both Victoria and Queensland for more than 45 years. For the last 20 years he was CEO at the Cities of Brimbank, Hobsons Bay, Greater Shepparton and Benalla. He retired from Local Government in October 2015, and is currently Chair of the Western Melbourne Regional Development Australia Committee, a Director of City West Water and a Board Member of Community Chef. His qualifications include an Associate Diploma of Business Studies (RMIT), a Bachelor of Arts Degree (University of Queensland) and a MBA (Deakin University). He has completed a short course for State and Local Government Executives at Harvard University and became a Williamson Leadership Fellow in 1996. Bill is an enthusiastic skier at Mt Buller.

**Mark Anderson**  
Member (1 July 2016 – present)

Mark is an experienced Board member in the Government and not for profit sectors and has been Chair of the Falls Creek ARMB and Council Member of Alpine Resorts Co-ordinating Council for eight years. He is also a Board member of the Melbourne International Comedy Festival. Mark is currently on the Audit Committees for the Country Fire Authority, the City of Maribyrnong, the Alpine Shire, Working Heritage, EREA and is the Treasurer of the Friends of the Royal Botanic Gardens.

Previously, he was the CEO of Doutta Galla Aged Services, an aged care provider, the Director of Finance for Melbourne City Council and at the Department of Treasury and Finance. Mark has extensive financial experience and has been involved in many large Melbourne projects including the 2006 Commonwealth Games, Federation Square and the development of Docklands. Mark is a Fellow of the Australian Institute of Company Directors and a Fellow Certified Practising Accountant.

**Allan Bawden**  
Member (1 July 2016 – present)

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

**Stacey Daniel**  
Member (1 July 2016 – present)

Stacey is an independent professional with diverse experience across the public, private and not-for-profit sectors. Stacey is a Graduate Member of the Australian Institute of Company Directors, Chartered Professional Engineer, qualified trainer and business services operator. She is a Board Member on the Victorian Coastal Council and former Member of the Falls Creek ARMB and Local Government Professionals Victoria. Stacey and her family are alpine and snowsports enthusiasts who have enjoyed the Victorian resorts for many years. Stacey has also travelled extensively within Australia and overseas including alpine and mountain areas in North America, Europe, Asia and New Zealand.
Nicole Feeney
Member (1 July 2016 – present)
Nicole is the current Chair of the Mount Hotham ARMB. She has been a member of the ARMB since April 2007 and was previously its Chair from 2010 to 2013. She was also previously a member of the Alpine Resorts Co-ordinating Council between 2010 and 2013. Nicole is a commercial disputes and construction lawyer at Lander & Rogers; is 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. Nicole is a Graduate Member of the Australian Institute of Company of Directors. Her prior board experience includes 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 Ballarat and Western Victoria. In 2001 Nicole was introduced to skiing and Mount Hotham. She loved the experience so much she became a member of a lodge and later purchased an apartment at Hotham and now spends most of her annual leave skiing in Australia and overseas!

Jacqui Jennings
Member (30 March 2017 – present)
Jacqui is the Chairperson of the Mount Buller and Mount Stirling ARMB. She is an experienced non-executive Director and Industrial Marketing Executive with a wealth of knowledge in Governance, Investment, Leadership, Risk and Audit. Through her roles as a non-executive company Director Jacqui has developed corporate governance skills that complement her previous strengths as a faculty practitioner across many diverse functions. These include management, marketing, strategic development, business development, operations management, research, quality assurance and product development.

Jacqui’s current expertise lies in corporate oversight, insight and foresight, risk management and strategic direction. In particular, the previous Board Committee roles to which she has been appointed (Investment, Finance Audit and Risk) serve to further refine her strategic oversight, risk assessment and finance and investment skills.

Robyn Leeson
Member (1 July 2016 – present)
Robyn is a sustainability consultant who works with transnational corporations, industry bodies and the public sector. She has previously held positions in commonwealth, state and local government agencies. Robyn has a PhD in environmental impact assessment and a Masters of Environmental Science from Monash University. She is currently Vice-Chair of the Global Reporting Initiative’s (GRI) Global Sustainability Standards Board which has responsibility for setting globally accepted standards for sustainability reporting. The standards are the most widely used in the world by businesses and other organisations to communicate their impact on critical sustainability issues. Robyn has been skiing with her family at Mount Hotham for more than 15 years and is a member of the Jalanga Ski Club and the Mount Hotham Racing Squad.

Tim Piper
Member (1 July 2016 – present)
Tim Piper is the Victorian Head of the Australian Industry Group which represents nearly 60,000 businesses in manufacturing, IT, telecommunications, food, mining, construction and utility companies across the country. He also represents the confectionery industry in Australia and is the Vice-President of the International Confectionery Association. Tim is also Head of the Waste Industry Alliance in Victoria and Western Australia. Tim is Chair of the Industry Capability Network and sits on a number of senior government committees including the Victorian Premier’s Jobs and Investment Advisory Panel, the Victorian Climate Change Ministerial Advisory Panel and the Victorian Multicultural Affairs Ministerial Advisory Council. He is also on the Health Star Rating Advisory Council.

Prior to working with Ai Group, Tim was Executive Director of the Australian Retailers Association – Victoria (ARAV) for 5 years. Tim has practised as a barrister and solicitor in Australia and the UK and worked as a journalist in television, radio and newspapers. He also has completed an MBA.

He has also been an Australia Day Ambassador and was the recipient of the Centenary Medal for services to the business community.
Arianne Rose
Member (1 July 2016 – present)

Arianne is a commercial lawyer practising in both the private and the public sectors, with a background in financial services, agribusiness, commercial and property law. She has worked in a wide range of complex and highly regulated industries with a strong skill set in corporate governance and risk management.

Arianne is a non-executive director of Melbourne Polytechnic, a TAFE and higher education institute offering students a career-focused holistic learning experience, the Architects Registration Board of Victoria, regulating architects and accreditation of architecture courses, and Greening Australia Limited, a national environmental NGO, transforming vulnerable Australian landscapes into places where people and wildlife can thrive. She was the Company Secretary and General Counsel, VicTrack (2010-2014), a Victorian Public Sector transport agency that is the custodian of Victoria’s railway assets. Arianne is a passionate skier at Mount Buller.

Jennifer Hutchison
Member (1 July 2016 – 27 March 2017)

Jennifer was the Chairperson of the Mount Buller and Mount Stirling ARMB. She has substantial expertise and experience in regional management, private enterprise and statutory authority methodologies, and in delivering national projects in Australia and offshore. Her corporate career spans technical, manufacturing and service industry sectors.

Council Meetings

The Council meets on a bi-monthly basis and held six Council meetings during the reporting period. During the reporting period, members attended meetings as follows:

<table>
<thead>
<tr>
<th>Member</th>
<th>Meetings Attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bill Jaboor (Member &amp; Chairperson) +</td>
<td>6 of 6</td>
</tr>
<tr>
<td>Mark Anderson +</td>
<td>6 of 6</td>
</tr>
<tr>
<td>Allan Bawden +</td>
<td>5 of 6</td>
</tr>
<tr>
<td>Stacey Daniel +</td>
<td>6 of 6</td>
</tr>
<tr>
<td>Nicole Feeney +</td>
<td>6 of 6</td>
</tr>
<tr>
<td>Jacqui Jennings +</td>
<td>2 of 2</td>
</tr>
<tr>
<td>Robyn Leeson +</td>
<td>6 of 6</td>
</tr>
<tr>
<td>Tim Piper +</td>
<td>4 of 6</td>
</tr>
<tr>
<td>Arianne Rose +</td>
<td>4 of 6</td>
</tr>
<tr>
<td>Jennifer Hutchison +</td>
<td>3 of 4</td>
</tr>
</tbody>
</table>

Committees

Council has three Committees to assist it to carry out its functions.

The Audit and Risk Management Committee has a focus on overseeing:

- Financial performance and the financial reporting process;
- The operation and implementation of the risk management framework; and

Two other committees, to assist Council with its operational activities, have been established:

- Co-operation Committee; and
- Strategic Planning Committee.

Further information about the purposes of each Committee is available on the Council’s website. Each operates under an adopted Terms of Reference. The Members of, and regular invitees to, these Committees and attendance over the year ending 30 June 2017, are as follows:

<table>
<thead>
<tr>
<th>Committee</th>
<th>Meetings Attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit and Risk Management Committee</td>
<td></td>
</tr>
<tr>
<td>Mark Anderson (Committee Chairperson) +</td>
<td>7 of 7</td>
</tr>
<tr>
<td>Allan Bawden +</td>
<td>6 of 7</td>
</tr>
<tr>
<td>Bill Jaboor +</td>
<td>6 of 7</td>
</tr>
</tbody>
</table>

*Note: All members satisfy the criteria for ‘independent member’ as laid down in the Guidelines of the Financial Management Compliance Framework issued by the Minister for Finance in July 2016.*
Strategic Planning Committee

<table>
<thead>
<tr>
<th>Meetings Attended</th>
<th>Meetings Attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arianne Rose (Committee Chairperson)</td>
<td>5 of 5</td>
</tr>
<tr>
<td>Stacey Daniel</td>
<td>5 of 5</td>
</tr>
<tr>
<td>Bill Jaboor</td>
<td>3 of 5</td>
</tr>
<tr>
<td>Robyn Leeson</td>
<td>5 of 5</td>
</tr>
</tbody>
</table>

* members as at 30 June 2017

Human Resource Management and Public Administration Values

The Council does not directly employ any staff. Secretariat support is provided by officers of the Land Management Policy Division of DELWP attached to the Council. The salary and on-costs of these officers is reimbursed to DELWP by the Council. Ian Swan was Executive Officer from 1 July 2016 to 30 June 2017. The Council has no executives employed as a public service body head or other executive under Part 3, Division 5 of the Public Administration Act 2004.

As at 30 June 2017, the Council secretariat consisted of six staff (30 June 2016 six staff):

- Ian Swan – Executive Officer
- Alex Shilton – Principal Policy Officer
- Natalie Baran – Senior Project Officer (part time)
- Lorena Gibson – Senior Marketing and Communications Officer (part time)
- Shanaugh Lyon - Project Officer (since 14 November 2016 – part time)
- Cassie Elder – Project Support Officer (part time; provided at no cost to Council as part of the Memorandum of Understanding with DELWP)

In addition, Tony Christianen, an independent contractor, acts as Council’s Chief Finance and Accounting Officer.
Council’s operations are managed in accordance with DELWP procedures and guidelines for financial management, human resource management, code of conduct, occupational health and safety, employment policies and standards, dispute resolution processes, and industrial relations. In addition, consistent with the Public Administration Act 2004, Council applies public sector employment and conduct values and principles, provides advice on avoidance of conflicts of interest, how to respond to offers of gifts and benefits and how misconduct is dealt with. It has also adopted a ‘Financial Code of Practice for Staff’ which all staff working for the Council are required to meet. Staff selection processes are merit-based, with applicants assessed and evaluated fairly and equitably on the basis of key selection criteria and other accountabilities without discrimination. A formal induction program is provided for each new staff member. Council is committed to the fair and reasonable treatment of staff. Consistent with DELWP policies, staff have availed themselves of ergonomic assessment, health check and vaccination services arranged by DELWP, as well as training opportunities provided or auspiced by DELWP.

Consistent with the principles of the Carers Recognition Act 2012, Council provides flexible working arrangements and leave provisions for all Council staff. A number of staff members have availed themselves of those arrangements.

Regular office safety audits are undertaken, including annual testing of electrical appliances. Council’s vehicle has a set of recovery and safety equipment that is checked prior, and subsequent, to each snow season. There were no industrial accidents or industrial disputes in the 12 months ending 30 June 2017.

Consistent with the requirements of the Public Administration Act 2004, the Council has also adopted a range of policies designed to promote good governance in all of its decision making and operations.

The policies comprise:

- Board Performance;
- Code of Conduct;
- Conflict of Interest;
- Dispute Resolution;
- Fraud and Corruption Control;
- Gifts, Benefits and Hospitality; and,
- Meetings and Decision Making.

The policies apply to all members and, in the case of the Fraud and Corruption Control, Gifts, Benefits and Hospitality and Protected Disclosure Policies, to all staff as well.
Other Information

Statement of Availability of Other Information
All of the following additional information is retained by the Accountable Officer (the Executive Officer) and can be made available on request to the relevant Ministers, Members of Parliament and the public, subject to the provisions of the Freedom of Information Act 1982, as outlined under FRD 22H.

Additional information included in Annual Report
Details in respect of the following items have been included in this section of this report:

- Details of publications produced, and how these can be obtained;
- Details of major external reviews carried out on the entity;
- Details of major research and development activities undertaken;
- Details of major promotional, public relations and marketing activities undertaken to develop community awareness of the entity and its services;
- Details of changes in prices, fees, charges, rates and levies charged. Details of changes in contributions are reported in Note 2 of the Financial Statements;
- Assessments and measures undertaken to improve the occupational health and safety of employees;
- A statement on industrial relations;
- A list of the Council’s committees; and
- A statement of completion of declarations of pecuniary interests.

Information that is not applicable to the Council
The following information is not relevant to the Council for the reasons set out below:

- a declaration of shares held by Council members and senior officers (No shares have ever been issued in the Council); and
- details of overseas visits undertaken (No Council members or senior executives took overseas work-related trips.).

The reported information has been compiled as at 30 June 2017.

Compliance with the Building Act 1993
In accordance with the requirements of the Directions of the Minister for Finance, the annual report must include a statement about compliance with the building and maintenance provisions of the Building Act 1993, for publicly owned buildings under Council’s control. The Council makes use of buildings and facilities controlled by DELWP to perform its functions and does not own or control any government buildings.
Details of Consultancies over $10,000

<table>
<thead>
<tr>
<th>Consultant</th>
<th>EY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose of consultancy</td>
<td>Green Season Research</td>
</tr>
<tr>
<td>Start date</td>
<td>October 2016</td>
</tr>
<tr>
<td>End date</td>
<td>April 2017</td>
</tr>
<tr>
<td>Total approved fee (excl. GST)</td>
<td>$54,200</td>
</tr>
<tr>
<td>Expenditure 2016-17 (excl. GST)</td>
<td>$54,200</td>
</tr>
<tr>
<td>Future expenditure (excl. GST)</td>
<td>$0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Consultant</th>
<th>EY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose of consultancy</td>
<td>Study into the Economic Significance of the Victorian Alpine Resorts</td>
</tr>
<tr>
<td>Start date</td>
<td>21 June 2016</td>
</tr>
<tr>
<td>End date</td>
<td>1 June 2017</td>
</tr>
<tr>
<td>Total approved fee (excl. GST)</td>
<td>$158,800</td>
</tr>
<tr>
<td>Expenditure 2016-17 (excl. GST)</td>
<td>$103,220</td>
</tr>
<tr>
<td>Future expenditure (excl. GST)</td>
<td>$0</td>
</tr>
</tbody>
</table>

Details of Consultancies under $10,000

In 2016/17, Council engaged in one consultancy where the total fees payable to the consultant was $8,470.

Declarations of Pecuniary Interests

Declarations of pecuniary interests have been duly completed and are regularly updated by all Council members and relevant officers. A Register of Pecuniary Interest Declarations is retained by the Executive Officer (the Council’s Accountable Officer) and is available on request to the relevant Ministers, Members of Parliament and the public, subject to the provisions of the Freedom of Information Act 1982.

Details of Changes in Contributions

Details of changes in contributions to Council’s operations are reported in Note 2 of the Financial Reports.
Details of Other Communications, Public Relations and Advertising Activities

Council revises its Communications Plan on a regular basis which provides a framework for ensuring that information about the Council and Council projects are made available to relevant stakeholders and target audiences in a strategic, timely and effective manner. In line with the Communications Plan, Council operates its own website: www.arcc.vic.gov.au. The website provides the public and industry partners with direct access to information about the activities of Council.

As part of its responsibilities for co-ordinating the state-wide winter co-operative marketing campaign, Council also operates and maintains a website: www.snowvictoria.com, which provides up to date information and promotion of Victoria’s alpine resorts.

Disclosure of Government Advertising Expenditure

Government policy requires disclosure of all Government Advertising Expenditure with a total media buy of $100,000 or greater (exclusive of GST).

During the reporting period Council was responsible for delivery of Victoria’s state-level winter marketing campaign.

<table>
<thead>
<tr>
<th>Snow Victoria - 2017 Snow Victoria</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Campaign Summary</strong></td>
</tr>
<tr>
<td>Promote a Victorian snow holiday as a unique proposition to new and lapsed visitors.</td>
</tr>
<tr>
<td><strong>Start date</strong></td>
</tr>
<tr>
<td>April 2017</td>
</tr>
<tr>
<td><strong>End date</strong></td>
</tr>
<tr>
<td>October 2017</td>
</tr>
<tr>
<td><strong>Total approved fee (excl. GST)</strong></td>
</tr>
<tr>
<td>$510,251</td>
</tr>
<tr>
<td><strong>Cinema, digital television advertising</strong></td>
</tr>
<tr>
<td>$201,577</td>
</tr>
<tr>
<td><strong>Other Campaign Costs</strong></td>
</tr>
<tr>
<td>$130,274</td>
</tr>
<tr>
<td><strong>Expenditure 2013-14 (excl. GST)</strong></td>
</tr>
<tr>
<td>$375,000</td>
</tr>
<tr>
<td><strong>Expenditure 2014-15 (excl. GST)</strong></td>
</tr>
<tr>
<td>$299,652</td>
</tr>
<tr>
<td><strong>Expenditure 2015-16 (excl. GST)</strong></td>
</tr>
<tr>
<td>$397,268</td>
</tr>
<tr>
<td><strong>Future expenditure (excl. GST)</strong></td>
</tr>
<tr>
<td>$62,719</td>
</tr>
</tbody>
</table>

Details of Publications Produced

Publications produced by the Council during the reporting period were:

- Corporate Plan 2016/17 - 2018/19 – as approved for publication (September 2016);
- Alpine Resorts Co-ordinating Council 2015-2016 Annual Report (October 2016);
- The Potential Impact of Climate Change on Victorian Alpine Resorts Study (October 2016);
- Winter 2016 Fact Sheet (February 2017);
- Winter 2016 End of Season Report (April 2017);

These publications are available electronically through Council’s website on the ‘Publications & Research’ page.

Disclosure of ICT Expenditure

Government policy requires disclosure of all ICT Expenditure.

During the reporting period Council incurred no ICT Expenditure.

Details of Publications Produced

Publications produced by the Council during the reporting period were:

- Corporate Plan 2016/17 - 2018/19 – as approved for publication (September 2016);
- Alpine Resorts Co-ordinating Council 2015-2016 Annual Report (October 2016);
- The Potential Impact of Climate Change on Victorian Alpine Resorts Study (October 2016);
- Winter 2016 Fact Sheet (February 2017);
- Winter 2016 End of Season Report (April 2017);

These publications are available electronically through Council’s website on the ‘Publications & Research’ page.

Disclosure of Major Contracts

Government policy requires disclosure of all contracts greater than $10 million dollars in value. No major contracts were entered into by Council during the reporting period.

Compliance with the Protected Disclosure Act 2012

The Protected Disclosure Act 2012 (the Act) facilitates the making of disclosures about serious improper conduct by public bodies or public officers or even members of the public who incite public bodies or officers to commit serious improper conduct. The Act provides for a system for these matters to be confidentially disclosed and impartially investigated. The Act also provides protection from detrimental action to the discloser and welfare support during the process.
The Council is a ‘public body’ for the purposes of the Act.

Who can make a disclosure?
Any individual or group of individuals may make a complaint and they can remain anonymous. It is helpful to have some evidence or sufficient reason to believe the action you are complaining about has occurred. A disclosure cannot be made by a business or company.

What can I make a disclosure about?
You can make a disclosure about seriously improper conduct engaged in, and/or detrimental action taken by, public bodies or public officers performing public functions, or members of the public who incite public officers to commit serious improper or corrupt conduct.

Serious improper conduct is conduct that is unlawful, corrupt or fraudulent; it is also conduct that is dishonest, whereby an individual uses their position or information available to them in their position to personally benefit.

How do I make a disclosure?
You can make a disclosure about the Council or its board members, officers or staff by contacting IBAC on the contact details below.

Please note that the Council is unable to receive protected disclosures.

Contacts
Independent Broad-based Anti-corruption Commission (IBAC):
Level 1, North Tower, 459 Collins Street,
Melbourne Victoria 3000
GPO Box 24234, Melbourne Victoria 3001
Telephone: 1300 735 135
Internet: www.ibac.vic.gov.au
Email: see the website above for the secure email disclosure process, which also provides for anonymous disclosures.

Freedom of Information
The Freedom of Information Act 1982 allows the public a right of access to documents held by the Council. Freedom of Information requests are made in writing describing the documents requested and including payment of the $28.40 application fee. Further charges may be payable. FOI fees and charges are not subject to GST. The Council has determined that its authorised officer is DELWP’s Freedom of Information Manager. Applications are to be sent to:

   Freedom of Information Unit, DELWP
   PO Box 500 East Melbourne, Victoria, 8002
   Telephone: 9637 9730
   Email: foi.unit@delwp.vic.gov.au

No requests were received during the reporting period.

Reporting Requirements under Part II of the Freedom of Information Act 1982
The organisational arrangements and functional responsibilities of the Council are shown above. The Council’s powers are drawn from the Alpine Resorts (Management) Act 1997. The Council held and maintained the following categories of documents:

- correspondence files;
- minutes of the various meetings held by the Council; and
- project reports and related statistical information.

Project reports and general information related to the Council are available for inspection at the Council’s contact address. The Council’s Annual Report, key policy documents and project reports can all be found on the Council’s website – www.arcc.vic.gov.au. Whilst Council’s usual form of publication is by soft copy on its website, limited hard copies of some Council documents may be available. Any person seeking access to a particular document produced by the Council should write to the Council describing in as much detail as possible, the nature of the document required.
Information Privacy
The Privacy and Data Protection Act 2014 deals with the manner in which public and private sector organisations may record, use, store and disclose information collected from individuals. The Council is committed to upholding and implementing the Privacy Principles set out in the legislation. The full Council acts as a Privacy Committee. No complaints were handled by the Privacy Committee during the reporting period.

Major External Reviews
In January 2017, DELWP released a Discussion Paper on Alpine Resorts Governance Reform, which proposed two options for the future governance arrangements for the alpine resorts: either a single Alpine Resorts Authority (Board) across all the alpine resorts; or two Boards - Northern and Southern Boards. Under either model the Council would be disbanded, with many of its functions performed by DELWP. A decision on the preferred model is pending.

Major Research and Development Activities
During the reporting period Council funded a study to update previous research into the economic significance of the Victorian Alpine Resorts to local, regional and the state economies, in both winter and summer. The study was based on surveys of visitors, businesses and employees during winter 2016 and the 2016-17 summer period. Separate winter and summer reports and a combined summary report were released in July 2017.

Council also commissioned a study to understand and articulate the motivations and barriers for ‘Green Season’ engagement, with the aim of increasing visitation outside of the winter season. The study was based on surveys of visitors, as well as in depth discussions with ‘focus groups’. The final report was published in April 2017.

All reports are available on Council’s website.

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. The Council continues to implement and apply this principle in its business undertakings.

Summary of Environmental Performance
The Government’s aim of improved environmental management is supported by a requirement that Departments disclose their ongoing performance in managing and reducing the environmental impacts of their office-based activities. The Council makes use of DELWP offices and facilities to perform its functions and the reporting requirement of the office is met by DELWP. The Council secretariat participates fully in a range of environmental programs undertaken by DELWP, including:
- separation of reusable, recyclable, compostable and landfill waste;
- use of Green Power;
- use of flow restricted taps and waterless urinals;
- use of recycled paper and use of duplex printing;
- environmentally sustainable fitouts; and
- regular use by staff of public transport, cycling or walking to and from work; and
- participation in on-site initiatives championed by the DELWP Green Team which help to reduce impacts on the environment.
Local Jobs First - Victorian Industry Participation Policy

The Victorian Industry Participation Policy Act 2003 requires departments and public sector bodies to report on the implementation of the Local Jobs First - Victorian Industry Participation Policy (Local Jobs First - VIPP). Departments and public sector bodies are required to apply VIPP in all procurement activities valued at $3 million or more in metropolitan Melbourne and for state-wide projects, or $1 million or more for procurement activities in regional Victoria. The Council did not have any tenders over the threshold values during the reporting period.

Compliance with DataVic Access Policy

Risk Management Compliance Attestation

We, Bill Jaboor and Mark Anderson, certify that the Alpine Resorts Co-ordinating Council has complied with the Ministerial Standing Direction 3.7.1 - Risk Management Framework and Processes. The Alpine Resorts Co-ordinating Council’s Audit and Risk Management Committee has verified this.

Bill Jaboor  
Chairperson,  
Alpine Resorts Co-ordinating Council  
9 October 2017

Mark Anderson  
Chairperson, Audit and Risk Management Committee  
Alpine Resorts Co-ordinating Council  
9 October 2017
Gifts, Benefits and Hospitality Framework Attestation

Attestation for compliance with the Gifts, Benefits and Hospitality Policy Framework

We, Bill Jaboor and Mark Anderson of the Alpine Resorts Co-ordinating Council certify that:

• the Alpine Resorts Co-ordinating Council has gifts, benefits and hospitality policies and procedures in place, based on the DELWP model policy;
• these policies and procedures are consistent with and incorporate the minimum requirements and accountabilities outlined in the Gifts, Benefits and Hospitality Policy Framework October 2016 issued by the Victorian Public Sector Commission;
• these policies and procedures meet other obligations in the Public Administration Act 2004 (‘PAA’), the Code of Conduct for Directors of Victorian Public Entities (‘Directors’ Code of Conduct’) and the Code of Conduct for Victorian Public Sector Employees; and
• these policies and procedures are updated, promulgated and provided to the Audit and Risk Management Committee for review at least once a year.

Bill Jaboor
Chairperson, Alpine Resorts Co-ordinating Council
9 October 2017

Mark Anderson
Chairperson, Audit and Risk Management Committee Alpine Resorts Co-ordinating Council
9 October 2017
How This Report Is Structured

The Alpine Resorts Co-ordinating Council (Council) has presented its audited general purpose financial statements for the financial year ended 30 June 2017 in the following structure to provide users with the information about the Council’s stewardship of resources entrusted to it.

Financial Statements
- Comprehensive operating statement
- Balance sheet
- Cash flow statement
- Statement of changes in equity

Notes to the financial statements

1. About this report
   - The basis on which the financial statements have been prepared and compliance with reporting regulations

2. Funding delivery of our services
   - Revenue recognised from taxes, grants, sales of goods and services and other sources
     2.1 Income from transactions

3. The cost of delivering services
   - Operating expenses of the Council
     3.1 Expenses incurred in delivery of services
     3.2 Superannuation contributions

4. Key assets available to support service delivery
   - Assets, investments accounted for using the equity method, investments and other financial assets
     4.1 Total plant and equipment
     4.2 Investments and other financial assets

5. Other assets and liabilities
   - Working capital balances, and other key assets and liabilities
     5.1 Receivables
     5.2 Payables
     5.3 Other non-financial assets

6. How we financed our operations
   - Borrowings, cash flow information, leases and assets pledged as security
     6.1 Borrowings
     6.2 Leases
     6.3 Cash flow information and balances
     6.4 Commitments for expenditure

7. Risks, contingencies and valuation judgements
   - Financial risk management, contingent assets and liabilities as well as fair value determination
     7.1 Financial instruments specific disclosures
     7.2 Contingent assets and contingent liabilities
     7.3 Fair value determination

8. Other disclosures
   - Ex-gratia expenses
   - Responsible persons
   - Remuneration of accountable officer
   - Related parties
   - Remuneration of auditors
   - Subsequent events
   - Australian Accounting Standards issued that are not yet effective
   - Glossary of technical terms
   - Style conventions
Declaration

The attached financial statements for the Alpine Resorts Co-ordinating Council (Council) have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance under the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2017 and financial position of the Council at 30 June 2017.

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

We authorise the attached financial statements for issue on 9 October 2017.

Antony Christianen  
Chief Finance Officer,  
Melbourne  
9 October 2017

William Jaboor  
Chairperson,  
Melbourne  
9 October 2017

Alex Shilton  
Acting Executive Officer,  
Melbourne  
9 October 2017
Independent Auditor’s Report

To the Council of the Alpine Resorts Co-ordinating Council

Opinion

I have audited the financial report of the Alpine Resorts Co-ordinating Council (the Council) which comprises the:

- balance sheet as at 30 June 2017
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements
- declaration in the financial statements.

In my opinion the financial report presents fairly, in all material respects, the financial position of the Council as at 30 June 2017 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

Basis for Opinion

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

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the Council 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.

Material Uncertainty Related to Going Concern

We draw attention to note 1 of the financial statements, which discloses actions taken by the Minister for Energy, Environment and Climate Change to reform the alpine resorts governance arrangements. All proposed options result in the Council being abolished. The proposed reform options are currently under review, awaiting Ministerial determination. The reforms will then be subject to enabling legislation being passed by parliament. Until the legislation is enacted, the Council continues to operate as a going concern. On the basis that it is intended the Council be abolished once enabling legislation is passed, we consider a material uncertainty exists that may cast significant doubt on the Council’s ability to continue as a going concern.

Council’s responsibilities for the financial report

The Council 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 Council 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 Council is responsible for assessing the Council’s ability to continue as a going concern, and using the going concern basis of accounting unless it is inappropriate to do so.
Auditor’s responsibilities for the audit of the financial report

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council’s internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council
- conclude on the appropriateness of the Council’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 Council’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 Council 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 Council 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
11 October 2017

Roberta Skliros
as delegate for the Auditor-General of Victoria
## Comprehensive Operating Statement
for the financial year ended 30 June 2017

<table>
<thead>
<tr>
<th>Notes</th>
<th>($) 2017</th>
<th>($) 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCOME FROM TRANSACTIONS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions 2.1</td>
<td>1,539,022</td>
<td>1,565,874</td>
</tr>
<tr>
<td>Interest 2.1</td>
<td>15,731</td>
<td>14,873</td>
</tr>
<tr>
<td><strong>TOTAL INCOME FROM TRANSACTIONS</strong></td>
<td>1,554,753</td>
<td>1,580,747</td>
</tr>
<tr>
<td><strong>EXPENSES FROM TRANSACTIONS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operational expenses 3.1.1</td>
<td>725,130</td>
<td>795,340</td>
</tr>
<tr>
<td>Project expenses 3.1.2</td>
<td>671,314</td>
<td>825,092</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES FROM TRANSACTIONS</strong></td>
<td>1,396,444</td>
<td>1,620,432</td>
</tr>
<tr>
<td><strong>NET RESULT</strong></td>
<td>158,309</td>
<td>(39,685)</td>
</tr>
<tr>
<td><strong>COMPREHENSIVE RESULT</strong></td>
<td>158,309</td>
<td>(39,685)</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
## Balance Sheet
as at 30 June 2017

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>FINANCIAL ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and deposits</td>
<td>6.3</td>
<td>527,915</td>
</tr>
<tr>
<td>Receivables</td>
<td>5.1</td>
<td>168,281</td>
</tr>
<tr>
<td><strong>TOTAL FINANCIAL ASSETS</strong></td>
<td></td>
<td>696,196</td>
</tr>
<tr>
<td><strong>NON-FINANCIAL ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>4.1</td>
<td>31,757</td>
</tr>
<tr>
<td>Other non-financial assets</td>
<td>5.3</td>
<td>28,875</td>
</tr>
<tr>
<td><strong>TOTAL NON-FINANCIAL ASSETS</strong></td>
<td></td>
<td>60,632</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td></td>
<td>756,828</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>5.2</td>
<td>107,261</td>
</tr>
<tr>
<td>Borrowings</td>
<td>6.1</td>
<td>31,990</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td></td>
<td>139,251</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td>617,577</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated Surplus</td>
<td>617,577</td>
<td>459,268</td>
</tr>
<tr>
<td><strong>NET WORTH</strong></td>
<td>617,577</td>
<td>459,268</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
# Cash Flow Statement
for the financial year ended 30 June 2017

<table>
<thead>
<tr>
<th>Notes</th>
<th>($) 2017</th>
<th>($) 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts received</td>
<td>1,630,123</td>
<td>1,771,354</td>
</tr>
<tr>
<td>Interest received</td>
<td>17,099</td>
<td>15,017</td>
</tr>
<tr>
<td>Goods and Services Tax received from the ATO⁽¹⁾</td>
<td>172,087</td>
<td>112,490</td>
</tr>
<tr>
<td>Payments to suppliers and council members</td>
<td>(1,500,562)</td>
<td>(1,836,892)</td>
</tr>
<tr>
<td><strong>NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</strong></td>
<td>6.3.1</td>
<td>318,747</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM FINANCING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayment of borrowings and financial leases</td>
<td>(6,500)</td>
<td>(6,208)</td>
</tr>
<tr>
<td><strong>NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</strong></td>
<td>(6,500)</td>
<td>(6,208)</td>
</tr>
<tr>
<td><strong>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents beginning of financial year</td>
<td>215,668</td>
<td>159,908</td>
</tr>
<tr>
<td><strong>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</strong></td>
<td>6.3</td>
<td>527,915</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.

⁽¹⁾ Goods and Services Tax received from the Australian Tax Office (ATO) is presented on a net basis.
Statement of Changes in Equity
for the financial year ended 30 June 2017

<table>
<thead>
<tr>
<th></th>
<th>($)</th>
<th>($)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Accumulated Surplus</td>
<td>Total</td>
</tr>
<tr>
<td>BALANCE AS AT 1 JULY 2015</td>
<td>498,953</td>
<td>498,953</td>
</tr>
<tr>
<td>Comprehensive result for the year</td>
<td>(39,685)</td>
<td>(39,685)</td>
</tr>
<tr>
<td>BALANCE AS AT 30 JUNE 2016</td>
<td>459,268</td>
<td>459,268</td>
</tr>
<tr>
<td>Comprehensive result for the year</td>
<td>158,309</td>
<td>158,309</td>
</tr>
<tr>
<td>BALANCE AS AT 30 JUNE 2017</td>
<td>617,577</td>
<td>617,577</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
Notes to the Financial Statements
for the financial year ended 30 June 2017

1: About This Report

The Council is a statutory authority of the State of Victoria, established under the Alpine Resorts (Management) Act 1997 (The Act).

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

The principal address is:
Alpine Resorts Co-ordinating Council
8 Nicholson Street, Melbourne Vic 3000

Basis of preparation

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

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

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

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

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

These financial statements cover the Council as an individual reporting entity.

All amounts in the financial statements have been rounded to the nearest $1 unless otherwise stated.

Whilst these financial statements have been prepared on a going concern basis in accordance with AASB 101 Presentation of Financial Statements, Council is aware of an announcement made by the Minister for Energy, Environment and Climate Change (the Minister), on 23 January 2017 regarding the government’s intent to reform the alpine resorts governance arrangements.

The Alpine Resorts Governance Reform announcement included a discussion paper proposing two options, either:

• a single overarching Alpine Resort Authority to provide sector-wide strategic planning and management across all the resort alpine areas in Victoria, supported by a single board and CEO, or

• two separate Northern Alpine and Southern Alpine Resorts Authorities to undertake day-to-day operations and management of the Northern and Southern alpine areas in Victoria, supported by the board of each statutory authority to provide strategic direction and oversight.
Both proposed options involve the Council being abolished. The reforms are required to ensure the sector can effectively respond and adapt to current and future challenges, particularly the impacts of climate change.

The reform options are currently under review, awaiting Ministerial determination. The reform will then be subject to enabling legislation being passed by parliament. Until such time the reforms are enacted, the Council will continue to operate as a going concern.

Having regard to the above, even though the going concern basis remains appropriate, in the absence of any announcement being made by the Minister at the date of signing this report, and given both options result in the Council being abolished, a material uncertainty exists in respect of the Council’s ability to continue as a going concern.

As at 30 June 2017, Council has maintained $527,915 in cash and deposits with further committed funding of $424,000 from the Alpine Resort Management Boards (ARMBs). This funding is for strategic marketing purposes for the 2017–18 reporting period, as determined under Ministerial Direction, pursuant to section 36(1A) of the Alpine Resort (Management) Act 1997, issued by the then Minister for Environment and Climate Change for funding of the Alpine Resorts Strategic Marketing Plan 2014–2018.

Further, subject to approval by the Minister for Energy, Environment and Climate Change of Council’s Corporate Plan for 2017–18 to 2018–19 and budget for 2017–18, additional base funding of $908,000 is expected to be provided to the Council from the ARMBs under section 36(1A) of the Alpine Resort (Management) Act 1997. The associated budget has been approved by the Council members through review of the draft Corporate Plan process. Some of the Council’s members are also Chairs of the ARMBs as such indicating the ARMBs commitment to the operational contributions to be provided to the Council for 2017–18.

Available cash and deposits, and committed and expected funding of $1.3 million for the 2017–18 financial year ensures the Council is able to meet its financial commitments as and when they fall due.

Compliance information

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

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure 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.
2: Funding Delivery of our Services

Introduction
The purpose of the Council is to undertake the statutory functions as set out in Section 18 of the Act. Some of Council’s functions are quite prescriptive while others are much broader.

The Council provides a source of independent advice to the Government, whilst working closely with relevant Government departments and agencies. In undertaking its functions, Council works collaboratively with the Alpine Resorts Management Boards (ARMB) for whole-of-industry benefit.

To enable the Council to fulfil its objective it receives contributions from ARMBs. The Council also receives funding from the Department in relation to obtaining professional financial services.

Structure
2.1 Income from transactions

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational contribution payments (ARMBs)</td>
<td>928,684</td>
<td>1,071,120</td>
</tr>
<tr>
<td>Marketing the alpine resorts contribution payments (ARMBs)</td>
<td>430,637</td>
<td>460,404</td>
</tr>
<tr>
<td>Department of Environment, Land, Water and Planning funding for accounting services</td>
<td>35,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Alpine resorts forum</td>
<td>16,865</td>
<td>0</td>
</tr>
<tr>
<td>Other income</td>
<td>121,836</td>
<td>0</td>
</tr>
<tr>
<td>Visitor satisfaction survey contributions payments</td>
<td>6,000</td>
<td>4,350</td>
</tr>
<tr>
<td>Interest</td>
<td>15,731</td>
<td>14,873</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,554,753</strong></td>
<td><strong>1,580,747</strong></td>
</tr>
</tbody>
</table>

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

Operational contribution payments (ARMBs) are made by Falls Creek, Mount Baw Baw, Lake Mountain, Mount Buller & Mount Stirling, Mount Hotham and Southern ARMBs to contribute to and support the operation of the Council and are recognised when invoiced.

Marketing the alpine resorts contribution payments (ARMBs) are made by Falls Creek, Baw Baw, Lake Mountain, Mount Buller & Mount Stirling, Mount Hotham and Southern ARMBs to contribute to and support the marketing of the Alpine Resorts and are recognised when invoiced.

Department of Environment, Land, Water and Planning funding for accounting services is received to fund the professional financial services engaged by Council.

Alpine resorts forum funding was received from the event Council held in 2016-2017.

Other income was a drawn down of the trust fund balance in 2016-2017.

Visitor satisfaction survey contributions payments are received from ARMBs to fund annual surveys.

Interest includes interest received on bank term deposits and other investments and the unwinding over time of the discount on financial assets. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.
3: The Cost of Delivering Services

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

Structure
3.1 Expenses incurred in delivery of services
   3.1.1 Operational expenses
   3.1.2 Project expenses
3.2 Superannuation contributions

3.1 Expenses incurred in delivery of services:
3.1.1 Operational expenses

<table>
<thead>
<tr>
<th></th>
<th>($) 2017</th>
<th>($) 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration services</td>
<td>609,059</td>
<td>686,764</td>
</tr>
<tr>
<td>Council members’ fees and superannuation</td>
<td>76,976</td>
<td>71,571</td>
</tr>
<tr>
<td>Council members’ meeting expenses</td>
<td>8,758</td>
<td>12,058</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>23,931</td>
<td>18,541</td>
</tr>
<tr>
<td>Depreciation - finance leased motor vehicle</td>
<td>6,406</td>
<td>6,406</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>725,130</td>
<td>795,340</td>
</tr>
</tbody>
</table>

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

**Administration services** are paid to Department of Environment, Land, Water and Planning (DELWP) in relation to the provision of secretariat support to the Council and generally represent the day-to-day running costs incurred in normal operations. Council does not directly employ staff. Staff are seconded to the Council from the DELWP.

**Council members’ fees and superannuation** relate to the payments made to council members and are recognised as an expense in the period in which they are incurred.

**Council members’ meeting expenses** relate to the costs of council meetings and are recognised as an expense in the period in which they are incurred.

**Other operating expenses** relate to the cost of the annual report, audit fees and insurance and are recognised as an expense in the reporting period in which they are incurred.

**Depreciation – finance leased motor vehicle** is recognised on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.
3.1.2 Project Expenses

<table>
<thead>
<tr>
<th></th>
<th>($) 2017</th>
<th>($) 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council communications</td>
<td>900</td>
<td>3,865</td>
</tr>
<tr>
<td>Alpine resorts forum</td>
<td>36,982</td>
<td>0</td>
</tr>
<tr>
<td>Economic significance study</td>
<td>103,220</td>
<td>0</td>
</tr>
<tr>
<td>Green season research</td>
<td>54,200</td>
<td>0</td>
</tr>
<tr>
<td>Marketing the alpine resorts</td>
<td>414,213</td>
<td>665,401</td>
</tr>
<tr>
<td>Modelling impact of climate change</td>
<td>0</td>
<td>36,899</td>
</tr>
<tr>
<td>Research projects (visitor satisfaction survey, all resorts pass etc)</td>
<td>21,512</td>
<td>23,848</td>
</tr>
<tr>
<td>Review of ARMB medical services</td>
<td>0</td>
<td>49,182</td>
</tr>
<tr>
<td>Strategic plan review and implementation</td>
<td>1,200</td>
<td>7,611</td>
</tr>
<tr>
<td>Tourism and Transport Forum membership</td>
<td>27,500</td>
<td>26,200</td>
</tr>
<tr>
<td>Victorian Alpine Industry Advisory Group</td>
<td>3,887</td>
<td>2,683</td>
</tr>
<tr>
<td>Victorian Alpine Resorts Development Program</td>
<td>7,700</td>
<td>9,403</td>
</tr>
<tr>
<td>TOTAL</td>
<td>671,314</td>
<td>825,092</td>
</tr>
</tbody>
</table>

**Council communications** expenses relates to the Internet site for Council and is recognised as an expense in the reporting period in which they are incurred.

**Alpine resorts forum** relates to an event conducted by the Council and is recognised as an expense in the reporting period in which it incurred.

**Economic significance study** relates to a review on the economic significance of the alpine resorts and is recognised as an expense in the reporting period in which it is incurred.

**Green season research** relates to a review of the green season opportunities and is recognised as an expense in the reporting period in which it is incurred.

**Marketing the alpine resorts** costs relate to the Snow Victoria marketing campaign and is recognised as an expense in the reporting period in which it is incurred.

**Modelling impact of climate change costs** relate to research into resort specific climate change modelling and is recognised as an expense in the reporting period in which it is incurred.

**Research projects** costs relate to visitor satisfaction surveys, all resorts season pass, visitor survey cards and summer and winter research reports costs which are recognised as an expense in the reporting period in which it is incurred.

**Review of ARMB medical services** relates to specialist consultancy costs to review on-mountain medical services and future funding options which is recognised as an expense in the reporting period in which it is incurred.

**Strategic plan review and implementation** relates to the costs of the review of the implementation of the 2012 plan and is recognised as an expense in the period in which it is incurred.

**Tourism and Transport Forum membership** is a subscription cost paid on behalf of all ARMBs and is recognised as an expense in the reporting period in which it incurred.

**Victorian Alpine Industry Advisory Group** costs relate to member travel, meeting costs and facilitation costs for the advisory group and is recognised as an expense in the reporting period in which it is incurred.

**Victorian Alpine Resorts Development Program** is for the cost of support VARDP funding submissions and are recognised as an expense in the reporting period in which they are incurred.
### 3.2 Superannuation Contributions

The Council contributes in respect of the Council members superannuation at a contribution rate of 9.5% (2016: 9.5%) of council members fees as follows:

<table>
<thead>
<tr>
<th></th>
<th>Paid Contribution for the Year</th>
<th>Contribution Outstanding at Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>($)*</td>
<td>($)*</td>
</tr>
<tr>
<td>Defined benefit plans (a)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Superannuation Fund</td>
<td>852</td>
<td>792</td>
</tr>
<tr>
<td>Other</td>
<td>5,826</td>
<td>5,928</td>
</tr>
<tr>
<td>Total</td>
<td>6,678</td>
<td>6,720</td>
</tr>
</tbody>
</table>

**Note:**

(a) The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.
4: Key Assets Available To Support Service Delivery

Introduction
The Council controls plant and equipment and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to the Council to be utilised for delivery of those outputs.

Significant judgement: Classification of investments as “Key Assets”
The Council has made the judgement that investments are key assets utilised to support the Council’s objectives and outputs.

Fair value measurement
Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.3 in connection with how those fair values were determined.

Structure
4.1 Plant and equipment: Carrying amount
   4.1.1 Depreciation and impairment
   4.1.2 Reconciliation of movements in carrying values of plant and equipment

4.1 Plant and Equipment

<table>
<thead>
<tr>
<th>($)</th>
<th>($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2016</td>
</tr>
<tr>
<td>Finance leased motor vehicle</td>
<td>46,705</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(14,948)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>31,757</td>
</tr>
</tbody>
</table>

Initial recognition: Items of plant and equipment, 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 initial cost for non-financial physical assets under a finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Subsequent measurement: Plant and equipment are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset’s highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised below by asset category.

Vehicles are valued using the depreciated replacement cost method. Council 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 Department of Treasury and Finance (DTF) who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Note 7.3 includes additional information in connection with fair value determination of plant and equipment.
4.1.1 Depreciation and impairment

Charge for the period

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance leased motor vehicle</td>
<td>6,406</td>
<td>6,406</td>
</tr>
<tr>
<td><strong>TOTAL DEPRECIATION</strong></td>
<td>6,406</td>
<td>6,406</td>
</tr>
</tbody>
</table>

All plant and equipment that have finite useful lives, are depreciated.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset’s value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

<table>
<thead>
<tr>
<th>Asset</th>
<th>Useful life: years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance leased motor vehicle</td>
<td>3 to 10</td>
</tr>
</tbody>
</table>

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

**Impairment**: Non-financial assets, including items of Plant and Equipment, are tested for impairment whenever there is an indication that the asset may be impaired.

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 an ‘other economic flow’, except to the extent that it 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 reversal in impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset’s carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

4.1.2 Reconciliation of Movements in Carrying Values of Plant and Equipment (*)

<table>
<thead>
<tr>
<th></th>
<th>Plant and equipment at fair value</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPENING BALANCE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>(6,406)</td>
<td>(6,406)</td>
</tr>
<tr>
<td><strong>CLOSING BALANCE</strong></td>
<td>31,757</td>
<td>38,163</td>
</tr>
</tbody>
</table>

Note:

(*) Fair value assessments have been performed for this asset class and the assessment indicated movements were not material (less than or equal to 10 per cent) for a full revaluation.
5: Other Assets and Liabilities

Introduction
This section sets out those assets and liabilities that arose from Council’s operations.

Structure
5.1 Receivables
   5.1.1 Ageing analysis of contractual receivables
5.2 Payables
   5.2.1 Maturity analysis of contractual payables
5.3 Other non-financial asset

5.1 Receivables

<table>
<thead>
<tr>
<th></th>
<th>($) 2017</th>
<th>($) 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CONTRACTUAL</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of goods and services</td>
<td>24,424</td>
<td>109,979</td>
</tr>
<tr>
<td>Accrued investment income</td>
<td>191</td>
<td>1,560</td>
</tr>
<tr>
<td><strong>STATUTORY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GST input tax credit recoverable</td>
<td>143,666</td>
<td>158,760</td>
</tr>
<tr>
<td><strong>TOTAL RECEIVABLES</strong></td>
<td>168,281</td>
<td>270,299</td>
</tr>
<tr>
<td>Represented by: Current receivables</td>
<td>168,281</td>
<td>270,299</td>
</tr>
</tbody>
</table>

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

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments.

Doubtful debts: Receivables are assessed for bad and doubtful debts on a regular basis. A provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 Impairment of Assets.

A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. The increase in the provision for the year is recognised in the net result.
5.1.1 Ageing analysis of Contractual Receivables

<table>
<thead>
<tr>
<th>Past due but not impaired</th>
<th>1-3 months</th>
<th>3 months – 1 year</th>
<th>1 – 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 month</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>24,424</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

No interest is charged for the first 30 days from the invoice date. The average credit period for sales of goods/services and for other receivables is 30 days. There are no material financial assets that are individually determined to be impaired.

Currently the Council does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated.

5.2 Payables

<table>
<thead>
<tr>
<th>($)</th>
<th>($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2016</td>
</tr>
<tr>
<td>CONTRACTUAL</td>
<td></td>
</tr>
<tr>
<td>Supplies and services</td>
<td>104,899</td>
</tr>
<tr>
<td>STATUTORY</td>
<td></td>
</tr>
<tr>
<td>GST payable</td>
<td>2,362</td>
</tr>
<tr>
<td>TOTAL PAYABLES</td>
<td>107,261</td>
</tr>
<tr>
<td>Represented by: Current payables</td>
<td>107,261</td>
</tr>
</tbody>
</table>

Payables consist of:

- **contractual payables**, classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for supplies and services provided to Council prior to the end of the financial year that are unpaid; and

- **statutory payables**, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Payables for supplies and services have an average credit period of 30 days.

The terms and conditions of amounts payable to the government and agencies vary according to the particular agreements and as they are not legislative payables, they are not classified as financial instruments.

In the determination of fair value, consideration is given to factors including the overall capital management/prudential supervision framework in operation, the protection provided by the State Government by way of funding should the probability of default increase, probability of default by the guaranteed party and the likely loss to Council in the event of default.
5.2.1 Maturity Analysis of Contractual Payables (i)

<table>
<thead>
<tr>
<th>Maturity dates</th>
<th>Carrying amount ($)</th>
<th>Nominal amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 Supplies and services</td>
<td>104,899</td>
<td>104,899</td>
</tr>
<tr>
<td>Total</td>
<td>104,899</td>
<td>104,899</td>
</tr>
<tr>
<td>2016 Supplies and services</td>
<td>28,545</td>
<td>28,545</td>
</tr>
<tr>
<td>Total</td>
<td>28,545</td>
<td>28,545</td>
</tr>
</tbody>
</table>

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

5.3 Other Non-Financial Assets

<table>
<thead>
<tr>
<th>($)</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT OTHER ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepayments</td>
<td>28,875</td>
<td>2,869</td>
</tr>
<tr>
<td>TOTAL OTHER NON-FINANCIAL ASSETS</td>
<td>28,875</td>
<td>2,869</td>
</tr>
</tbody>
</table>

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.
6: How We Financed Our Operations

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

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Notes 7.2 and 7.3 provide additional, specific financial instrument disclosures.

Structure
6.1 Interest bearing liability
   6.1.1 Maturity analysis of interest bearing liabilities
   6.1.2 Interest expense
6.2 Leases
   6.2.1 Finance lease liabilities
6.3 Cash flow information
   6.3.1 Reconciliation of net result to cash flow from operating activities
6.4 Commitments for expenditure
   6.4.1 Total commitments payable

6.1 Interest Bearing Liability

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT INTEREST BEARING LIABILITY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance lease liabilities: (i)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Non-PPP related finance lease liabilities</td>
<td>31,990</td>
<td>6,501</td>
</tr>
<tr>
<td>TOTAL CURRENT INTEREST BEARING LIABILITY</td>
<td>31,990</td>
<td>6,501</td>
</tr>
</tbody>
</table>

| NON-CURRENT INTEREST BEARING LIABILITY |        |        |
| Finance lease liabilities:        |        |        |
| - Non-PPP related finance lease liabilities | 0     | 31,989 |
| TOTAL NON-CURRENT INTEREST BEARING LIABILITY | 0     | 31,989 |
| TOTAL INTEREST BEARING LIABILITY    | 31,990 | 38,490 |

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

Interest bearing liabilities are classified as financial instruments. All interest bearing liabilities are initially recognised at the fair value of the consideration received less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether the Council has categorised its interest bearing liabilities as either ‘financial liabilities designated at fair value through profit or loss’, or financial liabilities at ‘amortised cost’.
### 6.1.1 Maturity Analysis of Interest Bearing Liabilities

<table>
<thead>
<tr>
<th></th>
<th>Maturity dates</th>
<th>($)</th>
<th>Nominal amount</th>
<th>Less than 1 month</th>
<th>1-3 months</th>
<th>3 months – 1 year</th>
<th>1 – 5 years</th>
<th>5 + years</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance lease liabilities</td>
<td></td>
<td>32,914</td>
<td>32,914</td>
<td>679</td>
<td>1,357</td>
<td>30,878</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>32,914</td>
<td>32,914</td>
<td>679</td>
<td>1,357</td>
<td>30,878</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance lease liabilities</td>
<td></td>
<td>41,057</td>
<td>41,057</td>
<td>679</td>
<td>1,357</td>
<td>6,107</td>
<td>32,914</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>41,057</td>
<td>41,057</td>
<td>679</td>
<td>1,357</td>
<td>6,107</td>
<td>32,914</td>
<td>0</td>
</tr>
</tbody>
</table>

### 6.1.2 Interest Expense

<table>
<thead>
<tr>
<th></th>
<th>($)</th>
<th>($)(2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other interest expense</td>
<td>2,639</td>
<td>1,935</td>
</tr>
<tr>
<td><strong>TOTAL INTEREST EXPENSE</strong></td>
<td>2,639</td>
<td>1,935</td>
</tr>
</tbody>
</table>

Interest expense includes costs incurred in connection with interest on bank overdrafts and interest component of finance leases repayments.

Interest expense is recognised in the period in which it is incurred.
6.2 Leases

6.2.1 Finance Lease Liabilities (Council as Lessee)

<table>
<thead>
<tr>
<th></th>
<th>Minimum future lease payments</th>
<th>Present value of minimum future lease payments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>OTHER FINANCE LEASE LIABILITIES PAYABLE (i)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not longer than one year</td>
<td>32,914</td>
<td>8,143</td>
</tr>
<tr>
<td>Longer than one year but not longer than five years</td>
<td>0</td>
<td>32,914</td>
</tr>
<tr>
<td>MINIMUM FUTURE LEASE PAYMENTS (ii)</td>
<td>32,914</td>
<td>41,057</td>
</tr>
<tr>
<td>Less future finance charges</td>
<td>(924)</td>
<td>(2,567)</td>
</tr>
<tr>
<td>PRESENT VALUE OF MINIMUM LEASE PAYMENTS</td>
<td>31,990</td>
<td>38,490</td>
</tr>
</tbody>
</table>

Included in the financial statements as:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current interest bearing liability (Note 6.1)</td>
<td>31,990</td>
<td>6,501</td>
</tr>
<tr>
<td>Non-current interest bearing liability (Note 6.1)</td>
<td>0</td>
<td>31,989</td>
</tr>
<tr>
<td>TOTAL</td>
<td>31,990</td>
<td>38,490</td>
</tr>
</tbody>
</table>

Notes:

(i) Other finance lease liabilities include obligations that are recognised on the balance sheet; the future payments related to operating and lease commitments are disclosed in Note 6.1.

(ii) Minimum future lease payments include the aggregate of all base payments and any guaranteed residual.

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

Minimum finance lease payments are apportioned between the reduction of the outstanding lease liability and the periodic finance expense which is calculated using the interest rate implicit in the lease and charged directly to the consolidated comprehensive operating statement.

6.3 Cash Flow Information and Balances

Cash and deposits, including cash equivalents, 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 which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

For cash flow statement presentation purposes, cash and cash equivalents are indicated below.

<table>
<thead>
<tr>
<th></th>
<th>($)</th>
<th>($)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2016</td>
</tr>
<tr>
<td>TOTAL CASH AND DEPOSITS DISCLOSED IN THE BALANCE SHEET</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank deposits</td>
<td>527,915</td>
<td>215,668</td>
</tr>
<tr>
<td>BALANCE AS PER CASH FLOW STATEMENT</td>
<td>527,915</td>
<td>215,668</td>
</tr>
</tbody>
</table>
6.3.1 Reconciliation of Net Result for the Period to Cash Flow from Operating Activities

<table>
<thead>
<tr>
<th></th>
<th>($) 2017</th>
<th>($) 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>NET RESULT FOR THE PERIOD</td>
<td>158,309</td>
<td>(39,685)</td>
</tr>
</tbody>
</table>

Non-cash movements:

- Depreciation of plant and equipment: 6,406

MOVEMENTS IN ASSETS AND LIABILITIES:

- Increase/decrease in receivables: 102,017
- Increase/decrease in payables: 78,020
- Increase/decrease in prepayments: (26,006)

NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES: 318,747
61,968

6.4 Commitments for Expenditure

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

6.4.1 Total Commitments Payable (i)

<table>
<thead>
<tr>
<th>NOMINAL AMOUNTS: 2017</th>
<th>($) Less than 1 year</th>
<th>Between 1 and 5 years</th>
<th>Over 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other commitments payable</td>
<td>127,173</td>
<td>0</td>
<td>0</td>
<td>127,173</td>
</tr>
<tr>
<td>TOTAL COMMITMENTS (INCLUSIVE OF GST)</td>
<td>127,173</td>
<td>0</td>
<td>0</td>
<td>127,173</td>
</tr>
<tr>
<td>Less GST recoverable from the Australian Tax Office</td>
<td>(11,561)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL COMMITMENTS (EXCLUSIVE OF GST)</td>
<td>115,612</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NOMINAL AMOUNTS: 2016</th>
<th>($) Less than 1 year</th>
<th>Between 1 and 5 years</th>
<th>Over 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other commitments payable</td>
<td>174,680</td>
<td>0</td>
<td>0</td>
<td>174,680</td>
</tr>
<tr>
<td>TOTAL COMMITMENTS (INCLUSIVE OF GST)</td>
<td>174,680</td>
<td>0</td>
<td>0</td>
<td>174,680</td>
</tr>
<tr>
<td>Less GST recoverable from the Australian Tax Office</td>
<td>(15,880)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL COMMITMENTS (EXCLUSIVE OF GST)</td>
<td>158,800</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note:

(i) Future finance lease payments are recognised on the balance sheet
7: Risks, Contingencies and Valuation Judgements

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

Structure
7.1 Financial instruments specific disclosures
   7.1.1 Financial instruments: Categorisation
   7.1.2 Financial risk management: objectives and policies
7.2 Contingent assets and contingent liabilities
7.3 Fair value determination
   7.3.1 Fair value determination: financial assets and liabilities
   7.3.2 Fair value determination: Non-financial physical assets

7.1 Financial instruments specific disclosures

Introduction
Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Loans and receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment). Council recognises the following assets in this category:
- cash and deposits;
- receivables (excluding statutory receivables); and
- term deposits.

Financial instrument assets are designated at fair value through profit or loss on the basis that the financial assets form part of a group of financial assets that are managed based on their fair values and have their performance evaluated in accordance with documented risk management and investment strategies. Financial instruments at fair value through net result are initially measured at fair value; attributable transaction costs are expensed as incurred. Subsequently, any changes in fair value are recognised in the net result as other economic flows. Council does not have debt securities in this category.

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method. The Council recognises the following liabilities in this category:
- payables (excluding statutory payables); and
- borrowings (including finance lease liabilities).

Impairment of financial assets: At the end of each reporting period, Council 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.

The allowance is the difference between the financial asset’s carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 Impairment of Assets.
7.1 Financial Instruments Specific Disclosures (continued)

Financial instrument assets that meet the definition of loans and receivables may be reclassified out of the fair value through profit and loss category into the loans and receivables category, where they would have met the definition of loans and receivables had they not been required to be classified as fair value through profit and loss. In these cases, the financial instrument assets may be reclassified out of the fair value through profit and loss category, if there is the intention and ability to hold them for the foreseeable future or until maturity.

7.1.1 Financial Instruments: Categorisation

### 2017 ($)

<table>
<thead>
<tr>
<th></th>
<th>Contractual financial assets – loans and receivables and cash</th>
<th>Contractual financial liabilities at amortised cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CONTRACTUAL FINANCIAL ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and deposits</td>
<td>527,915</td>
<td>0</td>
<td>527,915</td>
</tr>
<tr>
<td><strong>RECEIVABLES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of goods and services</td>
<td>24,424</td>
<td>0</td>
<td>24,424</td>
</tr>
<tr>
<td>Accrued investment income</td>
<td>191</td>
<td>0</td>
<td>191</td>
</tr>
<tr>
<td><strong>TOTAL CONTRACTUAL FINANCIAL ASSETS</strong></td>
<td>552,530</td>
<td>0</td>
<td>552,530</td>
</tr>
<tr>
<td><strong>CONTRACTUAL FINANCIAL LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplies and services</td>
<td>0</td>
<td>104,899</td>
<td>104,899</td>
</tr>
<tr>
<td><strong>INTEREST BEARING LIABILITY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance lease liabilities</td>
<td>0</td>
<td>31,990</td>
<td>31,990</td>
</tr>
<tr>
<td><strong>TOTAL CONTRACTUAL FINANCIAL LIABILITIES</strong></td>
<td>0</td>
<td>136,889</td>
<td>136,889</td>
</tr>
</tbody>
</table>

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

### 2016 ($)

<table>
<thead>
<tr>
<th></th>
<th>Contractual financial assets – loans and receivables and cash</th>
<th>Contractual financial liabilities at amortised cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CONTRACTUAL FINANCIAL ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and deposits</td>
<td>215,668</td>
<td>0</td>
<td>215,668</td>
</tr>
<tr>
<td><strong>RECEIVABLES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of goods and services</td>
<td>109,979</td>
<td>0</td>
<td>109,979</td>
</tr>
<tr>
<td>Accrued investment income</td>
<td>1,560</td>
<td>0</td>
<td>1,560</td>
</tr>
<tr>
<td><strong>TOTAL CONTRACTUAL FINANCIAL ASSETS</strong></td>
<td>327,207</td>
<td>0</td>
<td>327,207</td>
</tr>
<tr>
<td><strong>CONTRACTUAL FINANCIAL LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplies and services</td>
<td>0</td>
<td>28,545</td>
<td>28,545</td>
</tr>
<tr>
<td><strong>INTEREST BEARING LIABILITY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance lease liabilities</td>
<td>0</td>
<td>41,057</td>
<td>41,057</td>
</tr>
<tr>
<td><strong>TOTAL CONTRACTUAL FINANCIAL LIABILITIES</strong></td>
<td>0</td>
<td>69,602</td>
<td>69,602</td>
</tr>
</tbody>
</table>

Note:
(i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian government and GST input tax credit recoverable and taxes payable).
7.1.2 Financial Risk Management Objectives and Policies

The Council is exposed to a number of financial risks, including:

As a whole, the Council’s financial risk management program seeks to manage these risks and the associated volatility of its financial performance. 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, financial liability and equity instrument above are disclosed in Note 7.3.

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

7.1.2.1 Financial Instruments: Credit Risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. Council’s exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to Council. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Council’s contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, it is Council’s policy to only deal with entities with high credit ratings of a minimum triple B rating and to obtain sufficient collateral or credit enhancements, where appropriate.

In relation to cash and deposits Council’s policy is to only deal with banks with high credit ratings.

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

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents Council’s maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to the Council’s credit risk profile in 2016-17.
Credit Quality of Contractual Financial Assets that are neither past due nor impaired (i)

<table>
<thead>
<tr>
<th></th>
<th>($) Financial Institutions</th>
<th>Government Agencies</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and deposits</td>
<td>527,915</td>
<td>0</td>
<td>0</td>
<td>527,915</td>
</tr>
<tr>
<td>Receivables (i)</td>
<td>191</td>
<td>24,424</td>
<td>0</td>
<td>24,615</td>
</tr>
<tr>
<td>TOTAL CONTRACTUAL FINANCIAL ASSETS</td>
<td>528,106</td>
<td>24,424</td>
<td>0</td>
<td>552,530</td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and deposits</td>
<td>215,668</td>
<td>0</td>
<td>0</td>
<td>215,668</td>
</tr>
<tr>
<td>Receivables (i)</td>
<td>1,560</td>
<td>109,979</td>
<td>0</td>
<td>111,539</td>
</tr>
<tr>
<td>TOTAL CONTRACTUAL FINANCIAL ASSETS</td>
<td>217,228</td>
<td>109,979</td>
<td>0</td>
<td>327,207</td>
</tr>
</tbody>
</table>

Note:
(i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian government and GST input tax credit recoverable).

7.1.2.2 Financial Instruments: Liquidity Risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. Council operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

The Council is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees. Council manages its liquidity risk by:

- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations;
- holding investments and other contractual financial assets that are readily tradeable in the financial markets; and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

The Council’s exposure to liquidity risk is deemed insignificant based on prior periods’ data and current assessment of risk. Cash for unexpected events is generally sourced from liquidation of available for sale financial investments.

The carrying amount detailed in the following table of contractual financial liabilities recorded in the financial statements represents the Council’s maximum exposure to liquidity risk.
7.1.2.3 Financial Instruments: Market Risk

The Council’s exposures to market risk are primarily through interest rate risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

Sensitivity disclosure analysis and assumptions
The Council’s sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period, with all variables other than the primary risk variable held constant. Council’s fund managers cannot be expected to predict movements in market rates and prices. Sensitivity analyses shown are for illustrative purposes only.

The following movements are ‘reasonably possible’ over the next 12 months. A movement of 100 basis points up and down (100 basis points up and down) in market interest rates (AUD) and the tables that follow show the impact on the Council’s net result and equity for each category of financial instrument held by the Council at the end of the reporting period, if the above movements were to occur.

Interest rate risk
Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risks through cash and deposits, term deposits and bank overdrafts that are at floating rate.

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

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and the Council’s sensitivity to interest rate risk are set out in the table that follows.
### 7.1.2.3 Financial Instruments: Market Risk (continued)

**Interest rate exposure of financial instruments**

<table>
<thead>
<tr>
<th>2017</th>
<th>($)</th>
<th>Weighted Average Interest Rate %</th>
<th>Carrying amount</th>
<th>Fixed interest rate</th>
<th>Variable interest rate</th>
<th>Non-Interest Bearing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FINANCIAL ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and deposits</td>
<td></td>
<td>1.29%</td>
<td>527,915</td>
<td>0</td>
<td>514,046</td>
<td>13,869</td>
</tr>
<tr>
<td>Receivables (i)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of goods and services</td>
<td></td>
<td></td>
<td>24,424</td>
<td>0</td>
<td>0</td>
<td>24,424</td>
</tr>
<tr>
<td>Accrued investment income</td>
<td></td>
<td></td>
<td>191</td>
<td>0</td>
<td>0</td>
<td>191</td>
</tr>
<tr>
<td><strong>TOTAL FINANCIAL ASSETS</strong></td>
<td></td>
<td></td>
<td>552,530</td>
<td>0</td>
<td>514,046</td>
<td>38,484</td>
</tr>
<tr>
<td><strong>FINANCIAL LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables (i)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplies and services</td>
<td></td>
<td></td>
<td>104,899</td>
<td>0</td>
<td>0</td>
<td>104,899</td>
</tr>
<tr>
<td><strong>TOTAL FINANCIAL LIABILITIES</strong></td>
<td></td>
<td></td>
<td>136,889</td>
<td>0</td>
<td>104,899</td>
<td></td>
</tr>
</tbody>
</table>

**Note:**
(i) The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian government and GST input tax credit recoverable).

<table>
<thead>
<tr>
<th>2016</th>
<th>($)</th>
<th>Weighted Average Interest Rate %</th>
<th>Carrying amount</th>
<th>Fixed interest rate</th>
<th>Variable interest rate</th>
<th>Non-Interest Bearing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FINANCIAL ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and deposits</td>
<td></td>
<td>1.35%</td>
<td>215,668</td>
<td>0</td>
<td>210,385</td>
<td>5,283</td>
</tr>
<tr>
<td>Receivables (i)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of goods and services</td>
<td></td>
<td></td>
<td>109,979</td>
<td>0</td>
<td>0</td>
<td>109,979</td>
</tr>
<tr>
<td>Accrued investment income</td>
<td></td>
<td></td>
<td>1,560</td>
<td>0</td>
<td>0</td>
<td>1,560</td>
</tr>
<tr>
<td><strong>TOTAL FINANCIAL ASSETS</strong></td>
<td></td>
<td></td>
<td>327,207</td>
<td>0</td>
<td>210,385</td>
<td>116,822</td>
</tr>
<tr>
<td><strong>FINANCIAL LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables (i)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplies and services</td>
<td></td>
<td></td>
<td>28,545</td>
<td>0</td>
<td>0</td>
<td>28,545</td>
</tr>
<tr>
<td><strong>TOTAL FINANCIAL LIABILITIES</strong></td>
<td></td>
<td></td>
<td>67,035</td>
<td>0</td>
<td>28,545</td>
<td></td>
</tr>
</tbody>
</table>

**Note:**
(i) The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian government and GST input tax credit recoverable).
### 7.1.2.3 Financial Instruments: Market Risk (continued)

#### Interest rate risk sensitivity

<table>
<thead>
<tr>
<th>2017</th>
<th>($)</th>
<th>-100 basis points</th>
<th>+100 basis points</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Carrying amount</td>
<td>Net result</td>
<td>Available - for-sale revaluation surplus</td>
</tr>
<tr>
<td><strong>CONTRACTUAL FINANCIAL ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and deposits (i)</td>
<td>$527,915</td>
<td>(5,279)</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL IMPACT</strong></td>
<td></td>
<td>(5,279)</td>
<td>0</td>
</tr>
<tr>
<td><strong>CONTRACTUAL FINANCIAL LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>$31,990</td>
<td>(320)</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL IMPACT</strong></td>
<td></td>
<td>(320)</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2016</th>
<th>($)</th>
<th>-100 basis points</th>
<th>+100 basis points</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Carrying amount</td>
<td>Net result</td>
<td>Available - for-sale revaluation surplus</td>
</tr>
<tr>
<td><strong>CONTRACTUAL FINANCIAL ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and deposits (i)</td>
<td>$215,668</td>
<td>(2,157)</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL IMPACT</strong></td>
<td></td>
<td>(2,157)</td>
<td>0</td>
</tr>
<tr>
<td><strong>CONTRACTUAL FINANCIAL LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>$38,490</td>
<td>(385)</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL IMPACT</strong></td>
<td></td>
<td>(385)</td>
<td>0</td>
</tr>
</tbody>
</table>

**Note:**

(i) Cash and deposits includes a deposit of $527,915 (2016: $215,668) that is exposed to floating rates movements. Sensitivities to these movements are calculated as follows: 2017: $527,915 x -0.01 = – $5,279; and 2016: $215,668 x -0.01 = – $2,157

### 7.2 Contingent Assets and Contingent Liabilities

**Contingent assets**
Council has no contingent assets (2016: $Nil)

**Contingent liabilities**
Council has no contingent liabilities (2016: $Nil)
7.3 Fair value determination

*Significant judgement: Fair value measurements of assets and liabilities*

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

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

The following assets and liabilities are carried at fair value:

- Financial assets and liabilities at fair value through operating result; and
- Plant and equipment.

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

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

*Fair value hierarchy*

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- **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.

The Council determines whether transfers have occurred between levels in the hierarchy by reassessing 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.

*How this section is structured?*

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value);
- which level of the fair value hierarchy was used to determine the fair value;
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs;
- a reconciliation of the movements in fair values from the beginning of the year to the end; and
- details of significant unobservable inputs used in the fair value determination.

This section is divided between disclosures in connection with fair value determination for financial instruments (refer Note 7.3.1) and non-financial physical assets (refer 7.3.2).
7.3.1 Fair Value Determination of Financial Assets and Liabilities

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

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

Council currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2016-17 reporting period.

These financial instruments include:

<table>
<thead>
<tr>
<th>FINANCIAL ASSETS</th>
<th>FINANCIAL LIABILITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH AND DEPOSITS</td>
<td>PAYABLES:</td>
</tr>
<tr>
<td>RECEIVABLES:</td>
<td>• Sale of goods and services</td>
</tr>
<tr>
<td></td>
<td>• Accrued investment income</td>
</tr>
</tbody>
</table>

Where the fair value of the financial instruments is different from the carrying amounts, the following information has been included to disclose the difference.

Fair Value of Financial Instruments Measured at Amortised Cost

<table>
<thead>
<tr>
<th></th>
<th>Carrying amount 2017</th>
<th>Carrying amount 2016</th>
<th>Fair value 2017</th>
<th>Fair value 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>FINANCIAL LIABILITIES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance lease liabilities</td>
<td>31,990</td>
<td>31,990</td>
<td>38,490</td>
<td>38,490</td>
</tr>
<tr>
<td>TOTAL LIABILITIES AT FAIR VALUE</td>
<td>31,990</td>
<td>31,990</td>
<td>38,490</td>
<td>38,490</td>
</tr>
</tbody>
</table>
### 7.3.2 Fair Value Determination: Non-Financial Physical Assets

#### Fair Value Measurement Hierarchy

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>($ ) Fair value measurement at end of reporting period using:</td>
<td>($ ) Fair value measurement at end of reporting period using:</td>
</tr>
<tr>
<td></td>
<td>Carrying amount as at 30 June 2017</td>
<td>Carrying amount as at 30 June 2016</td>
</tr>
<tr>
<td></td>
<td>Level 1</td>
<td>Level 2(i)</td>
</tr>
<tr>
<td>Plant and equipment at fair value - Vehicles (i)</td>
<td>31,757</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL OF PLANT AND EQUIPMENT AT FAIR VALUE</strong></td>
<td>31,757</td>
<td>0</td>
</tr>
</tbody>
</table>

Note:

(i) Classified in accordance with the fair value hierarchy see note 7.3.1

**Vehicles** are valued using the depreciated replacement cost method. The Council 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 DTF who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

There were no changes in valuation techniques throughout the period to 30 June 2017.

Therefore these assets are classified as level 2 under the market approach.

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

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

Structure
8.1 Ex-gratia expenses
8.2 Responsible persons
8.3 Remuneration of executive officer
8.4 Related parties
8.5 Remuneration of auditors
8.6 Subsequent events
8.7 Australian Accounting Standards issued that are not yet effective
8.8 Glossary of technical terms
8.9 Style conventions

8.1 Ex-Gratia Expenses

Council has no ex-gratia expenses (2016:$Nil)

8.2 Responsible Persons

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

Names
The persons who held the positions of Ministers and Responsible Officers in Council are as follows:

Minister for Energy, Environment and Climate Change

The Hon Lily D’Ambrosio MP
(1 July 2016 to 30 June 2017)

The Minister’s remuneration and allowances is set by the Parliamentary Salaries and Superannuation Act 1968 and is reported within the Department of Parliamentary Services’ Financial Report.

The persons who held the positions of Responsible Officers in Council are as follows:

<table>
<thead>
<tr>
<th>NAME</th>
<th>POSITION</th>
<th>PERIOD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr W Jaboor, Chairperson</td>
<td>Council Chairperson</td>
<td>(1 July 2016 to 30 June 2017)</td>
</tr>
<tr>
<td>Mr M Anderson</td>
<td>Council member</td>
<td>(1 July 2016 to 30 June 2017)</td>
</tr>
<tr>
<td>Ms J Hutchison</td>
<td>Council member</td>
<td>(1 July 2016 to 27 March 2017)</td>
</tr>
<tr>
<td>Mr A Bawden</td>
<td>Council member</td>
<td>(1 July 2016 to 30 June 2017)</td>
</tr>
<tr>
<td>Dr J Jennings</td>
<td>Council member</td>
<td>(30 March 2017 to 30 June 2017)</td>
</tr>
<tr>
<td>Ms S Daniel</td>
<td>Council member</td>
<td>(1 July 2016 to 30 June 2017)</td>
</tr>
<tr>
<td>Ms N Feeney</td>
<td>Council member</td>
<td>(1 July 2016 to 30 June 2017)</td>
</tr>
<tr>
<td>Dr R Leeson</td>
<td>Council member</td>
<td>(1 July 2016 to 30 June 2017)</td>
</tr>
<tr>
<td>Mr T Piper</td>
<td>Council member</td>
<td>(1 July 2016 to 30 June 2017)</td>
</tr>
<tr>
<td>Ms A Rose</td>
<td>Council member</td>
<td>(1 July 2016 to 30 June 2017)</td>
</tr>
<tr>
<td>Mr Ian Swan</td>
<td>Executive Officer</td>
<td>(1 July 2016 to 30 June 2017)</td>
</tr>
</tbody>
</table>
8.3 Remuneration of Executive Officer

The executive officer is the accountable officer and is reported under remuneration of responsible persons in note 8.2 and KMP in note 8.4. There were no other executives whose remuneration is required to be disclosed under FRD 21C disclosures of responsible persons and executive officers.

8.4 Related Parties

The Council is a wholly owned and controlled entity of the State of Victoria. Related parties of the Council include:

- all key management personnel and their close family members;
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

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

Significant transactions with government-related entities

The Council invoiced the following amounts for operation contributions and marketing from ARMBs and for marketing from Alpine Shire:

<table>
<thead>
<tr>
<th></th>
<th>($)</th>
<th>($)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2016</td>
</tr>
<tr>
<td>Falls Creek ARMB</td>
<td>414,891</td>
<td>433,578</td>
</tr>
<tr>
<td>Mount Baw Baw ARMB</td>
<td>22,315</td>
<td>44,549</td>
</tr>
<tr>
<td>Lake Mountain ARMB</td>
<td>22,315</td>
<td>44,549</td>
</tr>
<tr>
<td>Mount Buller &amp; Mount Stirling ARMB</td>
<td>483,443</td>
<td>538,838</td>
</tr>
<tr>
<td>Mount Hotham</td>
<td>371,727</td>
<td>424,010</td>
</tr>
<tr>
<td>Southern ARMB</td>
<td>44,630</td>
<td>0</td>
</tr>
<tr>
<td>Alpine Shire</td>
<td>6,000</td>
<td>6,000</td>
</tr>
<tr>
<td>Tourism Victoria</td>
<td>0</td>
<td>40,000</td>
</tr>
<tr>
<td></td>
<td>1,365,321</td>
<td>1,531,524</td>
</tr>
</tbody>
</table>
DELP funding for professional financial services and Trust Fund balance was $156,836 (2016: $30,000 for professional financial services).

Key management personnel of the Council include the Portfolio Minister, Council members and the Executive Officer. The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister’s remuneration and allowances is set by the Parliamentary Salaries and Superannuation Act 1968 is reported within the Department of Parliamentary Services’ Financial Report.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories. Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services. Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased. Other long-term benefits include long service leave, other long service benefits or deferred compensation.

### Compensation of KMPs

<table>
<thead>
<tr>
<th>Compensate</th>
<th>Council 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term benefits (^{(a)})</td>
<td>218,904</td>
</tr>
<tr>
<td>Post-employment benefits</td>
<td>20,705</td>
</tr>
<tr>
<td><strong>TOTAL (^{(b)})</strong></td>
<td><strong>239,609</strong></td>
</tr>
</tbody>
</table>

**Notes:**

(a) Total remuneration paid to KMPs employed as a contractor during the reporting period through an external service provider has been reported under short-term employee benefits.

(b) Note that KMPs are also reported in the disclosure of remuneration of accountable officer (Note 8.3).

### Transactions with key management personnel and other related parties

The following KMPs of the Council are Board members or former Board members of the respective ARMBs. The Council received contributions from these ARMBs which are already disclosed under the significant transactions with government-related entities above. Mr A Bawden - Chair of Southern ARMB (previously known as Mount Baw Baw ARMB and Lake Mountain ARMB), Mr M Anderson - Chair of Falls Creek ARMB, Ms N Feeney - Chair of Mount Hotham ARMB, Ms J Hutchison – Former Chair of Mount Buller and Mount Stirling ARMB and Dr J Jennings – Chair of Mount Buller and Mount Stirling ARMB.

Outside of normal citizen type transactions with the Council and related party transactions previously disclosed, there were no related party transactions that were attributed to key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

### 8.5 Remuneration of Auditors

<table>
<thead>
<tr>
<th></th>
<th>2017 ($)</th>
<th>2016 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Victorian Auditor-General’s Office</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit or review of the financial statements</td>
<td>7,100</td>
<td>6,900</td>
</tr>
<tr>
<td><strong>TOTAL REMUNERATION OF AUDITORS</strong></td>
<td><strong>7,100</strong></td>
<td><strong>6,900</strong></td>
</tr>
</tbody>
</table>
8.6 Subsequent Events

The Council is not aware of any subsequent events that have occurred after the reporting period and before authorisation of the financial statements.

8.7 Australian Accounting Standards Issued that are not yet effective

Certain new Australian Accounting Standards (AAS) have been published that are not mandatory for the 30 June 2017 reporting period. DTF assesses the impact of all these new standards and advises the Council of their applicability and early adoption where applicable.

The following AASs become effective for reporting periods commencing after the operative dates stated:

<table>
<thead>
<tr>
<th>Standard / Interpretation</th>
<th>Summary</th>
<th>Applicable for annual reporting periods beginning on</th>
<th>Impact on public sector entity financial statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>AASB 9 Financial Instruments</td>
<td>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.</td>
<td>1 Jan 2018</td>
<td>The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. While there will be no significant impact arising from AASB 9, Council is of the opinion there will be a change to the way financial instruments are disclosed.</td>
</tr>
<tr>
<td>AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9</td>
<td>Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.</td>
<td>1 Jan 2018</td>
<td>The assessment has indicated that there will be no significant impact for Council.</td>
</tr>
<tr>
<td>AASB 15 Revenue from Contracts with Customers</td>
<td>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.</td>
<td>1 Jan 2018</td>
<td>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.</td>
</tr>
</tbody>
</table>
| AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 | Amends the measurement of trade receivables and the recognition of dividends. Trade receivables, that do not have a significant financing component, are to be measured at their transaction price, at initial recognition. Dividends are recognised in the profit and loss only when:  
  - the entity’s right to receive payment of the dividend is established;  
  - it is probable that the economic benefits associated with the dividend will flow to the entity; and  
  - the amount can be measured reliably. | 1 Jan 2017, except amendments to AASB 9 (Dec 2009) and AASB 9 (Dec 2010) apply from 1 Jan 2018 | The assessment has indicated that there will be no significant impact for the public sector. |
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 2016-17 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 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107
- AASB 2016-6 Amendments to Australian Accounting Standards – Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts

Note:

1. For the current year, given the number of consequential amendments to AASB 9 Financial Instruments and AASB 15 Revenue from Contracts with Customers, the standards/interpretations have been grouped together to provide a more relevant view of the upcoming changes.

<table>
<thead>
<tr>
<th>Standard / Interpretation¹</th>
<th>Summary</th>
<th>Applicable for annual reporting periods beginning on</th>
<th>Impact on public sector entity financial statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15</td>
<td>This Standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.</td>
<td>1 Jan 2018</td>
<td>This amending standard will defer the application period of AASB 15 for for-profit entities to the 2018-19 reporting period in accordance with the transition requirements.</td>
</tr>
<tr>
<td>AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</td>
<td>This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.</td>
<td>1 Jan 2019</td>
<td>This amending standard will defer the application period of AASB 15 for not-for-profit entities to the 2019-20 reporting period.</td>
</tr>
<tr>
<td>AASB 16 Leases</td>
<td>The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet.</td>
<td>1 Jan 2019</td>
<td>The assessment has indicated that as most operating leases will come on balance sheet, recognition of the right-of-use assets and lease liabilities will cause net debt to increase. Rather than expensing the lease payments, depreciation of right-of-use assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus. No change for lessors.</td>
</tr>
<tr>
<td>AASB 1058 Income of Not-for-Profit Entities</td>
<td>This standard replaces AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable to not-for-profit entity to further its objectives.</td>
<td>1 Jan 2019</td>
<td>The assessment has indicated that revenue from capital grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as performance obligations are satisfied. As a result, the timing recognition of revenue will change.</td>
</tr>
</tbody>
</table>
8.8 Glossary of Technical Terms

The following is a summary of the major technical terms used in this report.

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Comprehensive result is the amount included in the operating statement representing total change in net worth other than transactions with owners as owners.

Current grants are amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a ‘transaction’ and so reduces the ‘net result from transaction’.

Effective interest method is the method used to calculate the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period.

Ex-gratia expenses mean the voluntary payment of money or other non-monetary benefit (e.g. a write-off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.

Financial asset is any asset that is:

- cash;
- an equity instrument of another entity;
- a contractual right:
  - to receive cash or another financial asset from another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- a contract that will or may be settled in the entity’s own equity instruments and is:
  - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity’s own equity instruments; or
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity’s own equity instruments.

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial liability is any liability that is:

- a contractual obligation:
  - to deliver cash or another financial asset to another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- a contract that will or may be settled in the entity’s own equity instruments and is:
  - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity’s own equity instruments; or
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity’s own equity instruments. For this purpose, the entity’s own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity’s own equity instruments.
Financial statements in the Model Report comprises:

(a) a balance sheet as at the end of the period;
(b) a comprehensive operating statement for the period;
(c) a statement of changes in equity for the period;
(d) a cash flow statement for the period;
(e) notes, comprising a summary of significant accounting policies and other explanatory information;
(f) comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 Presentation of Financial Statements; and
(g) a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

Grant expenses and other transfers are transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes.

Grants can be paid as general purpose grants, which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants, which are paid for a particular purpose and/or have conditions attached regarding their use.

Interest expense represents costs incurred in connection with borrowings. It includes interest on advances, loans, overdrafts, bonds and bills, deposits, interest components of finance lease repayments, and amortisation of discounts or premiums in relation to borrowings.

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Leases are rights to use an asset for an agreed period of time in exchange for payment. Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of infrastructure, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

Net acquisition of non-financial assets (from transactions) are purchases (and other acquisitions) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. Includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write-offs, impairment write-downs and revaluations.

Net financial liabilities is calculated as liabilities less financial assets, other than equity in public non-financial corporations (PNFC) and public financial corporations (PFC). This measure is broader than net debt as it includes significant liabilities, other than borrowings (e.g. accrued employee liabilities such as superannuation and long service leave entitlements). For the PNFC and PFC sectors, it is equal to negative net financial worth.

Net financial worth is equal to financial assets minus liabilities. It is a broader measure than net debt as it incorporates provisions made (such as superannuation, but excluding depreciation and bad debts) as well as holdings of equity. Net financial worth includes all classes of financial assets and liabilities, only some of which are included in net debt.
8.8 Glossary of Technical Terms (continued)

**Net lending/borrowing** is the financing requirement of government, calculated as the net operating balance less the net acquisition of non-financial assets. It also equals transactions in financial assets less transactions in liabilities. A positive result reflects a net lending position and a negative result reflects a net borrowing position.

**Net operating balance or net result from transactions** is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

**Net result** is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those classified as ‘other non-owner movements in equity’.

**Net worth** is calculated as assets less liabilities, which is an economic measure of wealth.

**Non-financial assets** are all assets that are not financial assets. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, cultural and heritage assets, intangibles and biological assets such as commercial forests.

**Operating result** is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those classified as ‘other non-owner movements in equity’. Refer also ‘net result’.

**Other economic flows included in net result** are changes in the volume or value of an asset or liability that do not result from transactions. In simple terms, other economic flows are changes arising from market remeasurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal.

**Payables** includes short and long-term trade debt and accounts payable, grants, taxes and interest payable.

**Receivables** include amounts owing from government through appropriation receivable, short and long-term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

**Supplies and services** generally represent cost of goods sold and the day to day running costs, including maintenance costs, incurred in the normal operations of the Department.

**Transactions** are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows into an entity such as depreciation, where the owner is simultaneously acting as the owner of the deprecating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the Government.

8.9 Style Conventions

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

The notation used in the tables is as follows:

- 0 zero, or rounded to zero
- (xxx) negative numbers
- 201x year
- 201x 201x year period

The financial statements and notes are presented based on the illustration for a government department in the 2016-17 Model Report for Victorian Government Departments. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of the Council’s annual reports.
Disclosure Index

The annual report of the Council is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of the Council's compliance with statutory disclosure requirements.

<table>
<thead>
<tr>
<th>Legislation</th>
<th>Requirement</th>
<th>Page Ref.</th>
</tr>
</thead>
<tbody>
<tr>
<td>FRD 22H</td>
<td>Manner of establishment and the relevant Ministers</td>
<td>14</td>
</tr>
<tr>
<td>FRD 22H</td>
<td>Purpose, functions, powers and duties</td>
<td>14</td>
</tr>
<tr>
<td>FRD 8D</td>
<td>Departmental objectives, indicators and outputs</td>
<td>10</td>
</tr>
<tr>
<td>FRD 22H</td>
<td>Key initiatives and projects</td>
<td>4</td>
</tr>
<tr>
<td>FRD 22H</td>
<td>Nature and range of services provided</td>
<td>15</td>
</tr>
<tr>
<td>FRD 22H</td>
<td>Organisational Structure</td>
<td>16</td>
</tr>
<tr>
<td>FRD 8D</td>
<td>Performance against output performance measures</td>
<td>10</td>
</tr>
<tr>
<td>FRD 8D</td>
<td>Budget portfolio outcomes</td>
<td>N/A</td>
</tr>
<tr>
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**Acronyms:**
- FRD – Financial Reporting Direction
- SD – Standing Direction
- PC – Premier’s Circular