

## > **Financial Report**

For the year ended 31 October 2008

### **Statement by the Mount Buller and Mount Stirling Alpine Resort Management Board Chairman and Chief Executive Officer:**

We certify that the attached financial report for the Mount Buller and Mount Stirling Alpine Resort Management Board has been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian accounting standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 31 October 2008 and financial position of the Mount Buller and Mount Stirling Alpine Resort Management Board as at 31 October 2008.

We are not aware of any circumstance, which would render any particulars included in the financial report to be misleading or inaccurate.

We authorise the attached financial report for issue on 9 January 2009



**John Dyson**  
Chairman



**Philip Nunn**  
Chief Executive Officer

9 January 2009

## > Operating Statement

For the year ended 31 October 2008

	Note	2008	2007
		\$'000	\$'000
<b>INCOME</b>			
<b>Revenue from Operating Activities</b>			
Gate Entry		3,207	3,168
Site Rental		3,287	2,860
Service Charges		2,929	3,023
Service Charge – Infrastructure Fee		144	177
Marketing Revenue		273	209
Taxi Transport Commission		112	107
<b>Total Revenue from Operating Activities</b>		<b>9,952</b>	<b>9,544</b>
<b>Revenue from Non-Operating Activities</b>			
Sale of Rights to Lease and Develop Crown Land		598	113
Government Grants	15	276	33
Interest Revenue		346	272
Other Revenue		930	381
<b>Total Revenue from Non-Operating Activities</b>		<b>2,150</b>	<b>799</b>
<b>Total Income</b>		<b>12,102</b>	<b>10,343</b>
<b>EXPENSES</b>			
Village Operations		4,741	3,160
Visitor Services		1,500	1,437
Administration and Corporate Services		2,288	2,046
Land Management and Environmental Services		1,118	864
Health Services		568	-
Marketing		1,705	1,317
Finance Costs	2	312	30
<b>Total Expenses</b>		<b>12,231</b>	<b>8,854</b>
<b>Net Result</b>		<b>(130)</b>	<b>1,489</b>

*The above Operating Statement should be read in conjunction with the accompanying notes.*

## > Balance Sheet

As at 31 October 2008

	Note	2008	2007
		\$'000	\$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	5,698	5,373
Receivables	4	698	661
Inventories	5	24	19
Other	6	219	253
<b>Total Current Assets</b>		<b>6,639</b>	<b>6,306</b>
<b>Non-Current Assets</b>			
Receivables	4	33	43
Infrastructure, property, plant and equipment	7	190,488	190,853
<b>Total Non-Current Assets</b>		<b>190,521</b>	<b>190,896</b>
<b>Total Assets</b>		<b>197,160</b>	<b>197,202</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	8	634	782
Borrowings	9	312	315
Employee benefits	10	454	372
Other	11	216	51
<b>Total Current Liabilities</b>		<b>1,616</b>	<b>1,520</b>
<b>Non-Current Liabilities</b>			
Borrowings	9	3,012	3,082
Employee benefits	10	96	34
<b>Total Non-Current Liabilities</b>		<b>3,108</b>	<b>3,116</b>
<b>Total Liabilities</b>		<b>4,724</b>	<b>4,636</b>
<b>Net Assets</b>		<b>192,436</b>	<b>192,566</b>
<b>Equity</b>			
Contributed capital	12	137,157	137,157
Accumulated surplus	13	3,611	3,598
Reserves	14	51,668	51,811
<b>Total Equity</b>		<b>192,436</b>	<b>192,566</b>

The above Balance Sheet should be read in conjunction with the accompanying notes.

## > Statement of Changes in Equity

For the year ended 31 October 2008

	Contributed Capital	Accumulated Surplus	Asset Revaluation Reserve	Total
Note	\$'000	\$'000	\$'000	\$'000
<b>Balance 1 November 2006</b>	137,157	2,109	-	139,266
Revaluation of land, buildings and infrastructure	14	-	51,811	51,811
Net result for the year	-	1,489	-	1,489
<b>Balance 31 October 2007</b>	137,157	3,598	51,811	192,566
Disposal of assets	-	143	(143)	-
Net result for the year	-	(130)	-	(130)
<b>Balance 31 October 2008</b>	<b>137,157</b>	<b>3,611</b>	<b>51,668</b>	<b>192,436</b>

*The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.*

## > Cash Flow Statement

For the year ended 31 October 2008

	Note	2008	2007
		\$'000	\$'000
<b>Cash Flows from Operating Activities</b>			
Receipts from Customers (Inc of GST)		11,477	9,999
Payments to Suppliers and Employees (Inc of GST)		(8,998)	(7,671)
Interest received		332	280
Interest and other costs of finance paid		(78)	(21)
<b>Net Cash Provided by Operating Activities</b>	21	<b>2,733</b>	<b>2,587</b>
<b>Cash Flows from Investing Activities</b>			
Payments for Infrastructure, Property, Plant and Equipment		(2,223)	(4,207)
Proceeds from Sale of Property, Plant and Equipment		121	2
<b>Net Cash Used in Investing Activities</b>		<b>(2,102)</b>	<b>(4,205)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from Borrowings		-	1,210
Repayment of Borrowings		(306)	(21)
<b>Net Cash Provided by Financing Activities</b>		<b>(306)</b>	<b>1,189</b>
<b>Net Increase/(Decrease) in cash held</b>		<b>325</b>	<b>(429)</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>5,373</b>	<b>5,802</b>
<b>Cash and cash equivalents at the end of the financial year</b>	3	<b>5,698</b>	<b>5,373</b>

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

## > Financial Statements

### For the year ended 31 October 2008

#### **NOTE 1**

#### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

#### **(a) Statement of compliance**

The financial report is a general purpose financial report which has been prepared on an accrual basis in accordance with the *Financial Management Act 1994*, applicable Australian Accounting Standards (AAS), which includes the Australian accounting standards issued by the Australian Accounting Standards Board (AASB), Interpretations and other mandatory professional requirements.

The financial report also complies with relevant Financial Reporting Direction (FRDs) issued by the Department of Treasury and finance, and relevant Standing Directions (SD) authorised by the Minister for Finance.

#### **(b) Basis of preparation**

The financial report has been prepared on a historical cost basis, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of AASs, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision, and future periods if the revision affects both current and future periods.

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

The accounting policies set out below have been applied in preparing the financial report for the year ended 31 October 2008 and the comparative information presented for the year ended 31 October 2007.

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## For the year ended 31 October 2008

### **Classification between current and non-current**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. An asset is classified as current if it is expected to be settled within the next 12 months, being the ARMB's operational cycle. In the case of liabilities where the ARMB does not have the unconditional right to defer settlement beyond 12 months, the liability is classified as current. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months.

### **Rounding**

Unless otherwise stated, amounts in the report have been rounded to the nearest thousand dollars.

### **Not-for-profit status**

Under AIFRS, there are requirements that apply specifically to not-for-profit entities that are not consistent with International Financial Reporting Standards (IFRS) requirements. The ARMB has analysed its purpose, objectives and operating philosophy and determined that it does not have profit generation as a prime objective. Consequently where appropriate the ARMB has elected to apply options and exemptions within AIFRS that are applicable to not-for-profit entities.

### **(c) Reporting entity**

The financial report covers the Mount Buller and Mount Stirling Alpine Resort Management Board as an individual reporting entity. The ARMB is an entity established under the *Alpine Resorts (Management) Act 1997*. Its principal address is:

Mount Buller and Mount Stirling  
Alpine Resort Management Board  
Buller Community Centre  
Summit Road  
Mount Buller VIC 3723

The ARMB is a public body acting on behalf of the Crown, and reporting to the Department of Sustainability and Environment.

### **(d) Income recognition**

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

A service charge infrastructure fee is also levied upon site holders where development or redevelopment leading to an increased number of beds occurs. This is levied upon completion of the development.

Site rental income from leased crowned land is recognised annually in the operating statement in accordance with the terms and conditions of individual leases.

Gate entry revenue (including season access passes) is recognised when received.

Revenue from the sale of rights to lease and develop crown land is recognised on the execution of a contract of sale, following approval by the Minister. Any deposits received prior to approval from the Minister and execution of contract of sale are recorded as unearned revenue.

Interest revenue is recognised upon the control of the right to receive the interest payment existing.

Government grants and contributions are recognised as operating revenue when an entitlement is established, and disclosed in the operating statement as government grants. However grants and contributions received from the Victorian State Government which were originally appropriated by Parliament as additions to net assets or where the Minister for Finance and the Minister for Environment have indicated are in the nature of owners' contributions are accounted for as equity – contributed capital.

Other income consists of gains or losses on disposal of property, plant and equipment. Any gain or loss on disposal is recognised at the date control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at that time.

### **(e) Finance costs**

Finance costs are recognised as expenses in the period in which they are incurred. Finance costs include interest on Treasury Corporation of Victoria loans, and increases in the non interest bearing loan with La Trobe University due to the unwinding of the discount to reflect the passage of time.

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### For the year ended 31 October 2008

#### **(f) Cash and cash equivalents**

Cash and cash equivalents includes cash on hand and deposits held at call with financial institutions, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

#### **(g) Receivables**

Receivables consist predominantly of debtors in relation to goods and services, accrued investment income and GST input tax credits recoverable.

Receivables are stated at their fair value less impairment losses (refer Note 1(j)). Receivables are due for settlement no more than 30 days from the date of recognition unless specific payment arrangements have been approved. Default interest is levied on overdue debts.

Collectibility of receivables is reviewed on an ongoing basis. Debts known to be uncollectible are written off when identified. A provision for doubtful debts is established when there is objective evidence that the debts will not be collected.

#### **(h) Inventories**

Inventories comprise stores and materials used in the construction of new works, operation of the waste water treatment plant, repair and maintenance of existing assets, and minor amount of merchandise held for resale or promotional purposes. These are stated at the lower of cost and current replacement cost. Current replacement cost is the cost the ARMB would incur to acquire the asset at reporting date.

#### **(i) Investments**

Investments consist of fixed term deposits held with Treasury Corporation of Victoria. These investments are carried at cost with interest revenue recognised in the operating statement when it is earned.

#### **(j) Infrastructure, property, plant and equipment**

##### ***Acquisition***

The purchase method of accounting is used for all acquisitions of assets, regardless of whether equity instruments or other assets are acquired. Cost is measured at the fair value of the assets given or liabilities incurred at the date of exchange plus costs directly attributable to the acquisition. Where payment of an asset is deferred beyond normal credit terms, the asset is recorded at the cash price equivalent at the recognition date (ie present value). Commonwealth Bond rates are used in determining present values. The difference between the cash price equivalent and the total price paid is recognised as interest and expensed over the period of credit.

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## For the year ended 31 October 2008

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the ARMB and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the operating statement during the financial period in which they are incurred.

### **Non-current assets constructed by the ARMB**

The cost of self-constructed assets includes the cost of materials, consultants, direct labour, and where relevant, the costs of dismantling and removing the items and restoring the site on which they are located.

### **Carrying Amount**

All land, buildings and infrastructure assets are recognised initially at cost and subsequently measured at at fair value less depreciation. Land is not depreciated. Plant and equipment and leased assets are stated at cost less depreciation and impairment losses.

Land, buildings and infrastructure assets were re-valued on 31 October 2007 by the Victorian Valuer-General applying an indexation method to 31 October 2004 fair values (the date of the immediately previous valuation).

The estimated useful lives are as follows:

Buildings	15 to 84 years
Infrastructure assets	2 to 100 years
Other plant and equipment	5 to 20 years

### **Depreciation**

Depreciation is provided on infrastructure, property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Where assets have separate identifiable components that have distinct useful lives and/or residual values, a separate depreciation rate is determined for each component. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

### **Revaluation**

Assets other than those that are carried at cost are revalued with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value. This revaluation process normally occurs at least every 5 years in accordance with Financial Reporting Direction 103C. Revaluation increments or decrements arise from differences between an asset's depreciated cost or deemed cost and fair value.

Revaluation increments are credited directly to equity in the revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as expense in determining the net result, the increment is recognised as revenue in determining the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the revaluation reserve in respect of the same class of assets, they are debited to the revaluation reserve.

Revaluation reserves are transferred to accumulated surplus on de-recognition of the relevant asset.

### **(k) Leases**

Leases of plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership. All other leases are classified as operating leases.

### **ARMB as lessee**

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables.

Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

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### For the year ended 31 October 2008

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the operating statement on a straight line basis over the term of the lease, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

#### **ARMB as lessor**

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

#### **(l) Impairment of assets**

Items of infrastructure, property, plant and equipment are assessed annually for indicators of impairment. Where an impairment indicator is triggered, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an assets carrying amount exceeds its recoverable amount, the difference is written-off by a charge to the operating statement except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that class of asset.

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. It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made.

#### **(m) Payables**

These amounts represent liabilities for goods and services provided to the ARMB prior to the reporting date which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

#### **(n) Provisions**

A provision is recognised when there is a legal, equitable or constructive obligation as a result of a past event and it is probable (more likely than not) that a future sacrifice of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably.

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

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## For the year ended 31 October 2008

### **(o) Employee benefits**

Employee benefits expenses include all costs related to employment including wages and salaries, leave entitlements, redundancy payments and superannuation contributions. These are recognised when incurred, except for contributions in respect of defined benefit plans.

Provision is made for benefits accruing to employees in respect of wages and salaries, rostered days off, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values, using the remuneration rates expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured at the present value (Commonwealth Bond rates are used in determining present values) of the estimated future cash outflows to be made, in respect of services provided by employees up to the reporting date.

#### **Superannuation**

The amount charged to the operating statement in respect of defined benefit superannuation plans represents the contributions made by the ARMB to the superannuation plan in respect to the current services of current ARMB staff. Superannuation contributions are made to the plans based on the relevant rules of each plan.

The Department of Treasury and Finance centrally recognises the defined benefit liability or surplus of most Victorian government employees in such funds.

#### **Employee benefit on-costs**

Employee benefit on-costs (payroll tax, workers compensation, superannuation) are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

### **Performance payments**

Performance payments for the ARMB's Executive Officers and staff are based on a percentage of the annual salary package provided under their employment contracts. Unpaid, but committed, employee performance payments are recognised as a liability in the financial report. Performance payments are assessed and paid annually where applicable.

### **(p) Goods and services tax (GST)**

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

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

### **(q) Interest bearing liabilities**

Interest bearing liabilities are initially recognised at fair value, net of transaction costs incurred and subsequently measured at amortised cost.

Interest bearing liabilities are classified as current liabilities unless the ARMB has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

### **(r) Non interest bearing loans**

Non interest bearing loans are recognised initially as the present value of the future repayments, discounted using Commonwealth Treasury Bond rates over the period of the repayments.

Non interest bearing liabilities are classified as current liabilities unless the ARMB has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

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#### **(s) Equity**

Additions to net assets which have been designated as contributions by Government are recognised as contributed capital.

#### **(t) Events after reporting date**

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the ARMB and other parties, the transactions are only recognised when the agreement is irrevocable at or before balance date. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting date and before the date the statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the balance date and the date the statements are authorised for issue where the events relate to conditions which arose after the reporting date and which may have a material impact on the results of subsequent years,

#### **(u) Commitments**

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources and are disclosed at their nominal value.

#### **(v) Contingent assets and liabilities**

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

#### **(w) Functional and presentation currency**

The functional currency of the ARMB is the Australian dollar, which has also been identified as the presentation currency.

#### **(x) New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 October 2008 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises departments and other entities of their applicability and early adoption where applicable.

As at 31 October 2008, the following standards and interpretations (applicable to public bodies) had been issued but were not mandatory for the financial year ending 31 October 2008. The ARMB has not, and does not intend to adopt these standards early.

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## For the year ended 31 October 2008

Standard / Interpretation	Summary	Applicable for annual reporting periods	Impact on financial statements
Interpretation 12 Service Concession Arrangements.	AASB approved an Australian Interpretation 12, equivalent to IFRIC 12, applying to private sector operators, but explicitly excludes accounting for public sector grantors.	Beginning 1 July 2008	The impact of any changes that may be required cannot be reliably estimated and is not disclosed in the financial report.
AASB 2007-2 Amendments to Australian Accounting Standards arising from AASB Interpretation 12.	Amendments arise from the release in February 2007 of Interpretation 12 Service Concession Arrangements.	Beginning 1 July 2008	As above.
Revised AASB 1004 Contributions	AASB decided to relocate requirements on contributions from AAS 27, 29 and 31, substantively unamended, into AASB 1004 as part of its short-term review of AAS 27, AAS 29, and AAS 31.	Beginning 1 July 2008	Impact expected to be insignificant.
AASB 1051 Land Under Roads	The new pronouncement AASB 1051 Land Under Roads provides the option to recognise or not recognise land under roads acquired before the end of the first reporting period ending on or after 31 December 2007. Land under roads acquired after 31 December 2007 should be accounted for following requirements of AASB 116 Property, Plant and Equipment.	Beginning 1 July 2008	Impact expected to be insignificant.
AASB 1051 Land Under Roads	The new pronouncement AASB 1051 Land Under Roads provides the option to recognise or not recognise land under roads acquired before the end of the first reporting period ending on or after 31 December 2007. Land under roads acquired after 31 December 2007 should be accounted for following requirements of AASB 116 Property, Plant and Equipment.	Beginning 1 July 2008	Impact expected to be insignificant.
AASB 1052 Disaggregated Disclosures	AASB decided to relocate requirements relating to reporting of disaggregated information from AAS 27 and AAS 29 into AASB 1052, a new topic-based standard, as part of its short-term review of AAS 27, AAS 29 and AAS 31.	Beginning 1 July 2008	Impact expected to be insignificant.
Revised Interpretation 1038 Contributions by Owners made to Wholly-Owned Public Sector Entities	Editorial amendments to Interpretation 1038 due to changes to AASB 1004.	Beginning 1 July 2008	Impact expected to be insignificant.
AASB 8 Operating Segments.	Supersedes AASB 114 Segment Reporting.	Beginning 1 January 2009	Not applicable.
AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 and AASB 1038].	An accompanying amending standard, also introduced consequential amendments into other Standards.	Beginning 1 January 2009	Impact expected to be insignificant.
AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	Option to expense borrowing costs related to a qualifying asset had been removed. Entities are now required to capitalise borrowing costs relevant to qualifying assets.	Beginning 1 January 2009	All Australian government jurisdictions are currently still actively pursuing an exemption for government from capitalising borrowing costs.
AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101	Editorial amendments to Australian Accounting Standards to align with IFRS terminology.	Beginning 1 January 2009	Impact expected to be insignificant.

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For the year ended 31 October 2008

	<b>2008</b>	<b>2007</b>
	\$'000	\$'000
<b>NOTE 2</b>		
<b>EXPENSES</b>		
<b>(a) Employee benefits:</b>		
Superannuation expense	209	162
Salaries and wages	2,420	2,053
Other employee benefits	323	113
<b>Total employee benefits</b>	<b>2,952</b>	<b>2,328</b>
<b>(b) Finance costs:</b>		
Accretion of non interest bearing loan	234	-
Interest expense	78	30
<b>Total finance costs</b>	<b>312</b>	<b>30</b>
<b>(c) Net loss on disposal of non-current assets:</b>		
Gain on sale of assets	81	-
Loss on write-off of assets	(571)	(15)
<b>Net loss on disposal</b>	<b>(490)</b>	<b>(15)</b>
<b>(d) Depreciation</b>		
Buildings	275	206
Infrastructure Assets	1,466	955
Leased Assets	11	12
Plant and Equipment	343	374
<b>Total Depreciation</b>	<b>2,095</b>	<b>1,547</b>
<b>NOTE 3</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Cash at Bank and on hand	1,098	1,273
Deposits on Call	4,600	4,100
<b>Total Cash Assets</b>	<b>5,698</b>	<b>5,373</b>

The ARMB does not have access to a bank overdraft as at 31 October 2008. The weighted average interest rate applicable to cash at bank and on hand is 1.9%. The deposits on call are interest bearing floating rates between 5.65% and 7.2%, with an average maturity of 27 days.

Included in these cash balances are amounts set aside for use as the ARMB's Snow Drought Fund of \$600,000 (2007: \$600,000), Debt Repayment Fund of \$1,000,000 (2007: \$1,000,000) and Capital Improvement Fund of \$3,236,363 (2007: \$1,500,000). These funds have been established to comply with the Minister of Environment's Alpine Reform Package program, the aim of which was to improve financial governance and thus the financial sustainability of the Alpine Resort Management Boards.

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### For the year ended 31 October 2008

#### NOTE 3

##### CASH AND CASH EQUIVALENTS (CONTINUED)

The Snow Drought Fund may be drawn upon with Ministerial approval in the event of a poor snow season which leads to a liquidity shortage as a result of a reduction in visitor related revenue.

The Debt Repayment Fund will be drawn upon to repay outstanding debt when required, in times of low cash resources and/or financial hardship. The purpose of the Capital Improvement Fund is to provide a pool of internally generated funds to finance asset replacement and capital works expenditure.

#### NOTE 4 RECEIVABLES

##### Current

Trade debtors  
Provision for doubtful debts (a)

Other debtors  
Capital in-goings

##### Non-Current

Capital in-goings

##### Total Receivables

The carrying value of debtors at 31 October 2008 approximates fair value. A provision of \$nil (2007: \$2,317) has been made in regard to the possible non-collection of Trade Debtors. Interest is charged on overdue site rentals and utility charges at a rate fixed by Section 2 of the *Penalty Interest Rates Act 1983*, which, at 31 October 2008 was 11% per annum.

##### (a) Movement in the provision for doubtful debts

Balance at the beginning of the year  
Amounts written off during the year  
Amounts recovered during the year  
Increase/(decrease) in provision recognised in profit or loss  
Balance at end of year

##### (b) Ageing analysis of receivables

Please refer to Note 19 for the ageing analysis of receivables.

##### (c) Nature and extent of risk arising from receivables

Please refer to Note 19 for the nature and extent of credit risk arising from receivables.

	2008	2007
	\$'000	\$'000
Trade debtors	464	547
Provision for doubtful debts (a)	-	(2)
	464	545
Other debtors	223	104
Capital in-goings	11	12
	<b>698</b>	<b>661</b>
Capital in-goings	33	43
	<b>731</b>	<b>704</b>
(a) Movement in the provision for doubtful debts		
Balance at the beginning of the year	(2)	(8)
Amounts written off during the year	2	6
Amounts recovered during the year	-	-
Increase/(decrease) in provision recognised in profit or loss	-	-
Balance at end of year	-	(2)

## > Financial Statements

For the year ended 31 October 2008

	<b>2008</b>	<b>2007</b>
	\$'000	\$'000
<b>NOTE 5</b>		
<b>INVENTORIES</b>		
Raw Materials	24	19
<b>NOTE 6</b>		
<b>OTHER CURRENT ASSETS</b>		
Prepayments	219	253
<b>NOTE 7</b>		
<b>INFRASTRUCTURE, PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Land</b>		
Land at Fair Value (31 Oct 2007) – Mount Buller	144,676	144,676
Land at Fair Value (31 Oct 2007) – Mount Stirling	5,637	5,637
	<b>150,313</b>	<b>150,313</b>
<b>Buildings</b>		
Buildings at Fair Value	11,511	12,064
Buildings at Cost	365	-
Less Accumulated Depreciation	(326)	-
<b>Closing WDV</b>	<b>11,550</b>	<b>12,064</b>
<b>Infrastructure Assets</b>		
Infrastructure Assets at Fair Value	23,356	23,356
Infrastructure Assets at Cost	4,810	-
Less Accumulated Depreciation	(1,466)	-
<b>Closing WDV</b>	<b>26,700</b>	<b>23,356</b>
<b>Leased Assets</b>		
Leased assets at Cost	58	58
Less Accumulated Depreciation	(47)	(36)
<b>Closing WDV</b>	<b>11</b>	<b>22</b>
<b>Plant and Equipment</b>		
Plant and Equipment at Cost	3,007	2,215
Less Accumulated Depreciation	(1,576)	(954)
<b>Closing WDV</b>	<b>1,431</b>	<b>1,261</b>
<b>Art Works</b>	<b>118</b>	<b>-</b>
<b>Capital Work in Progress</b>	<b>365</b>	<b>3,837</b>
<b>Total Infrastructure, Property, Plant and Equipment</b>	<b>190,488</b>	<b>190,853</b>

## > Financial Statements

### For the year ended 31 October 2008

#### NOTE 7 INFRASTRUCTURE, PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land \$'000	Buildings \$'000	Infrastructure Assets \$'000	Leased Assets \$'000	Plant and Equipment \$'000	Art Works \$'000	CWIP \$'000	Total \$'000
<b>Year ended 31 October 2007</b>								
Opening net book value	106,035	6,634	19,002	34	1,553	-	942	134,200
Additions	-	3,065	53	-	83	-	3,205	6,406
Disposals	-	-	-	-	-	-	(17)	(17)
Depreciation	-	(206)	(955)	(12)	(374)	-	-	(1,547)
Transfers	-	338	(44)	-	(1)	-	(293)	-
Revaluations	44,278	2,233	5,300	-	-	-	-	51,811
Closing net book value	150,313	12,064	23,356	22	1,261	-	3,837	190,853
<b>Year ended 31 October 2008</b>								
Opening net book value	150,313	12,064	23,356	22	1,261	-	3,837	190,853
Additions	-	52	10	-	558	118	1,603	2,341
Disposals	-	(547)	-	-	(45)	-	(19)	(611)
Depreciation	-	(275)	(1,466)	(11)	(343)	-	-	(2,096)
Transfers	-	256	4,800	-	-	-	(5,056)	-
Closing net book value	150,313	11,550	26,700	11	1,431	118	365	190,488

#### NOTE 8 PAYABLES

	2008 \$'000	2007 \$'000
Accounts payable	14	248
Other creditors and accruals	620	534
	<b>634</b>	<b>782</b>

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

#### (a) Maturity analysis of payables

Please refer to Note 19 for the ageing analysis of payables.

#### (b) Nature and extent of risk arising from payables

Please refer to Note 19 for the nature and extent of risks arising from payables

## > Financial Statements

For the year ended 31 October 2008

	2008	2007
	\$'000	\$'000
<b>NOTE 9</b>		
<b>BORROWINGS</b>		
<b>Current</b>		
Interest bearing loan (i)	95	98
Non-interest bearing loan (ii)	217	217
	312	315
<b>Non-Current</b>		
Interest bearing loan (i)	1,013	1,100
Non-interest bearing loan (ii)	1,999	1,982
	3,012	3,082
<b>Total Borrowings</b>	<b>3,324</b>	<b>3,397</b>

(i) An interest bearing loan was taken out with the Treasury Corporation of Victoria in 2007, bearing a fixed interest rate of 6.84%, repayable in quarterly instalments over 10 years.

(ii) Non interest bearing loans relate to the deferred settlement with La Trobe University on the acquisition of the Buller Community Centre. The loan is recorded at its net present value at the date of acquisition, discounted over 15 years using the 10 year government bond rate of 5.2%. The loan is unsecured.

**(a) Maturity analysis of interest bearing liabilities**

Please refer to Note 19 for the ageing analysis of borrowings.

**(b) Nature and extent of risk arising from interest bearing liabilities**

Please refer to Note 19 for the nature and extent of risks arising from interest bearing liabilities.

**(c) Defaults and breaches**

During the current and prior year, there were no defaults and breaches of any of the loans.

## > Financial Statements

### For the year ended 31 October 2008

	<b>2008</b>	<b>2007</b>
	\$'000	\$'000
<b>NOTE 10</b>		
<b>EMPLOYEE BENEFITS</b>		
<b>Current</b>		
Annual leave	197	175
Accrued day off (ADO)	12	13
Long service leave (a)	195	145
Staff bonuses	50	39
	454	372
<b>Non-Current</b>		
Long service leave	96	34
	<b>550</b>	<b>406</b>
<b>Total Employee Benefits</b>		
	<b>550</b>	<b>406</b>
<i>(a) Of this amount, the Board expects to pay \$14,578 (2007: \$25,867) within the next 12 months.</i>		
Long service leave entitlements for those employees with 7 or more years continuous service are treated as a current liability and recognised at nominal amounts. Long service leave entitlements for those employees with less than 7 years continuous service are treated as a non-current liability and are discounted to present values.		
<b>NOTE 11</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Deferred revenue	216	51
	<b>216</b>	<b>51</b>
<b>NOTE 12</b>		
<b>CONTRIBUTED CAPITAL</b>		
Balance at beginning of financial year	137,157	137,157
Allocation of Contributed Capital for the year	-	-
<b>Balance at end of year</b>	<b>137,157</b>	<b>137,157</b>
<b>NOTE 13</b>		
<b>ACCUMULATED SURPLUS</b>		
Balance at beginning of the financial year	3,598	2,109
Net Surplus	(130)	1,489
Transfer from Asset Revaluation Reserve	143	-
<b>Balance at the end of the financial year</b>	<b>3,611</b>	<b>3,598</b>

## > Financial Statements

### For the year ended 31 October 2008

	2008	2007
	\$'000	\$'000
<b>NOTE 14</b>		
<b>ASSET REVALUATION RESERVE</b>		
Balance at beginning of the financial year	51,811	-
Revaluation of land, buildings and infrastructure	-	51,811
Disposal of assets	(143)	-
<b>Balance at the end of the financial year</b>	<b>51,668</b>	<b>51,811</b>

#### **NOTE 15** **COMMITMENTS**

##### *Capital Commitments*

The ARMB has been allocated a grant of \$1.55 million (excl GST) from the Victorian Department of Transport to assist in funding the Buller/Stirling Touring Link road project. The project involves the construction of a link road between Mount Buller and Mount Stirling which will provide an additional emergency access road should the existing Mount Buller road be closed temporarily for any reason.

\$186,363 of the allocated funding has been received as at 31 October 2008. Aside from preliminary design work and other tasks undertaken in connection with the development of a planning permit application, no spend has been made on the project to date, however the Board has committed \$1.55 million of its own funds (via the Capital Improvement Fund – refer note 3) to the project, and is currently lobbying the Federal Government for an allocation of funds. The project is anticipated to cost approximately \$4.65 million.

##### *Operating Commitments*

- a) In regards to future operating commitments, the ARMB has the following:
- An annual commitment to Buller Ski Lifts Ltd for snow making. The dollar value of this commitment for 2008-09 is currently under negotiation.
  - A commitment exists to sponsor the annual Victorian Inter-Schools Skiing Competition for \$25,000 per annum. This agreement expires 31 October 2012.
  - A commitment to Tourism Victoria to contribute to the Board of Alpine Regional Tourism (BART) for an amount of \$157,500 per annum to promote regional tourism in alpine areas
  - A commitment to the Alpine Resorts Coordinating Council (ARCC) for \$175,100 per annum, as directed by the Minister.
  - A commitment to Mansfield-Mt Buller Regional Tourism Association Ltd (trading as High Country Reservations) for sales and promotion and the provision of tourist information services. An amount of \$129,000 has been committed for sales and promotion activities for 2008-09. and an amount of \$50,295 payable for visitor information services for 2008-09. These amounts are to be increased by CPI for 2009-10.
  - An agreement for the provision of transport services to the resort at an annual cost of \$440,909 for the 2008 snow season. An agreement is yet to be negotiated for further seasons.
  - A garbage collection contract was entered into on 1 June 2005 and the base cost of the contract is \$375,000 per annum. The garbage contract is for eight years starting from 2005 (four years left to run) with the ARMB having the further option to add four one year extensions.
  - An agreement has been entered into with DSE for the 'Burrmys Recovery Plan'. This commitment involves the expenditure of \$1.163 million over five years starting in the 2005-06 financial year. The amount of \$177,500 has been committed for the 2008-09 financial year.

## > Financial Statements

### For the year ended 31 October 2008

	<b>2008</b>	<b>2007</b>
b) The above operating commitments are payable as follows:	\$'000	\$'000
Within one year	1,575	1,343
Later than one year but not later than 5 years	3,684	3,882
	<b>5,259</b>	<b>5,225</b>

#### **NOTE 16** **SUPERANNUATION**

Employees of the ARMB are entitled to receive superannuation benefits and the ARMB contributes to both defined benefit and defined contribution plans. The defined benefit plan provides benefits based on years of service and final average salary.

The ARMB does not recognise any defined benefit liability in respect of the plan because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance recognises and discloses the State's defined benefit liabilities in its financial report.

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Operating Statement of the ARMB.

## > Financial Statements

For the year ended 31 October 2008

			2008	2007
			\$'000	\$'000
<b>NOTE 16</b>				
<b>SUPERANNUATION (CONTINUED)</b>				
The name and details of the major employee superannuation funds and contributions made by the ARMB are as follows:				
<b>Scheme:</b>	<b>Type</b>	<b>Cont'n Range (%)</b>		
<i>State Superannuation Fund:</i>				
Emergency Services and State Super *	Defined Benefit	9.4-12.6	20	17
AJ Abercrombie Super Fund	Accumulation	9	1	-
AMP Flexible Lifetime	Accumulation	9	15	13
ANZ Life Assurance	Accumulation	9	2	1
ANZING	Accumulation	9	2	-
Asgard Capital Management	Accumulation	9	12	10
Australian Super	Accumulation	9	14	7
AXA Australia	Accumulation	9	-	3
BT Fund	Accumulation	9	14	11
C-Bus	Accumulation	9	2	6
Colonial First State Investment Combined Fund	Accumulation	9	7	3
Dolling Family Superannuation	Accumulation	9	4	4
Dundas Superannuation Fund	Accumulation	9	1	1
Equisuper	Accumulation	9	1	-
HESTA	Accumulation	9	2	1
Host Plus Superannuation	Accumulation	9	2	4
Health Superannuation	Accumulation	9	6	4
Independent Schools Super Fund	Accumulation	9	2	1
ING Master Fund	Accumulation	9	8	8
IOOF Investment Management Ltd	Accumulation	9	-	1
Legal Super	Accumulation	9	5	1
Macquarie ADF Superannuation Fund	Accumulation	9	1	1
MLC Masterkey Superannuation	Accumulation	9	6	8
Retail Employees Superannuation Trust	Accumulation	9	1	1
Sunsuper Superannuation Fund	Accumulation	9	7	1
Tower	Accumulation	9	4	-
Trujon Superannuation Fund	Accumulation	9	1	1
Vic Super	Accumulation	9	77	68
Vision Superannuation	Accumulation	9	9	7

\* previously known as State Superannuation Fund

Total contributions for the period were \$224,647 (2007: \$183,981) and there were no outstanding contributions at the end of the period.

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## For the year ended 31 October 2008

			2008	2007
			\$'000	\$'000
<b>NOTE 17</b>				
<b>AUDITOR'S REMUNERATION</b>				
Audit Services				
Victorian Auditor-General			18	18
<b>NOTE 18</b>				
<b>CONTINGENT ASSETS AND LIABILITIES</b>				
As at 31 October 2008, the Board has an outstanding claim against a lessee for breach of lease. The claim is expected to be heard before the Victorian Civil Administration Tribunal (VCAT) in 2009 and whilst the likely financial result of the claim cannot be estimated at the time of this report, management believe it is probable that an economic benefit will be received by the Board.				
<b>NOTE 19</b>				
<b>FINANCIAL INSTRUMENTS</b>				
<b>(a) Significant accounting policies</b>				
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 are disclosed in Note 1 to the financial statements.				
<b>(b) Categorisation of financial instruments</b>				
		Category	Carrying amount	Carrying amount
	Note		2008	2007
			\$'000	\$'000
<b>Financial assets</b>				
Cash and cash equivalents	3	N/A	5,698	5,373
Receivables	4	Loans and receivable (at amortised cost)	731	704
<b>Financial liabilities</b>				
Payables	8	Financial liabilities measured at amortised cost	634	782
Interest bearing liabilities	9	Financial liabilities measured at amortised cost	1,108	1,198
Non-interest bearing loans	9	Financial liabilities measured at amortised cost	2,216	2,199

## > Financial Statements

### For the year ended 31 October 2008

#### NOTE 19 FINANCIAL INSTRUMENTS (CONTINUED)

##### (c) Credit risk

Credit risk arises from the financial assets of the Board, which comprise cash and cash equivalents, trade and other receivables. The Board's exposure to credit risk arises from the potential default of counter parties on their contractual obligations resulting in financial loss to the Board.

Credit risk associated with the Board's financial assets is minimal because the majority of debtors arise under lease arrangements and default of payment would constitute a breach of the contractual lease agreement which could result in termination of the lease.

The Board does not engage in hedging for its financial assets and mainly obtains financial assets that are on fixed interest for the term of the deposit.

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

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

(\$ thousand)

	Weighted average effective interest rate %	Carrying amount	Interest rate exposure			Not past due & not impaired	Past due by not impaired			Impaired financial assets
			Variable interest rate	Fixed interest rate	Non-interest bearing		Less than 1 month	1-3 months	3 months to 1 year	
Receivables										
2008	1.38	731	92	-	639	532	33	43	123	-
2007	1.79	704	105	-	599	472	112	1	119	-

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### For the year ended 31 October 2008

#### (d) Liquidity risk

Liquidity risk arises when the Board is unable to meet its financial obligations as they fall due. The Board continually manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets and dealing in highly liquid markets as required.

The Board's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. The Board has established and maintains cash in snow drought, capital improvement and debt repayment funds (see note 3) to enable to Board to meet unexpected cash requirements.

Maximum exposure to liquidity risk is the carrying amounts of financial liabilities.

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

(\$ thousand)

	Weighted average effective interest rate %	Carrying amount	Interest rate exposure			Nominal amount	Maturity dates			
			Fixed interest rate	Variable interest rate	Non- interest bearing		Less than 1 month	1-3 months	3 months to 1 year	1-5 years
<b>2008</b>										
Payables	-	634	-	-	634	634	-	634	-	-
Borrowings	4.58	3,324	1,108	2,216	-	3,324	-	240	72	1,319
		<b>3,958</b>	1,108	2,216	634	<b>3,958</b>	-	873	72	1,319
<b>2007</b>										
Payables	-	782	-	-	782	782	-	782	-	-
Borrowings	4.48	3,397	1,198	2,199	-	3,397	-	239	67	1,290
		<b>4,179</b>	1,198	2,199	782	<b>4,179</b>	-	1,021	67	1,290

#### (e) Market risk

The Board's exposure to market risk is primarily through interest rate risk which might arise primarily through the Board's interest bearing liabilities. Minimisation of risk is achieved by mainly undertaking fixed rate or non-interest bearing financial instruments.

The Board's exposure to interest rate risk is set out in the following table:

(\$ thousand)

	Carrying amount	Interest rate risk			
		- 2%		+ 2%	
		Net result	Equity	Net result	Equity
<b>2008</b>					
<b>Financial assets:</b>					
Cash and cash equivalents	5,698	(114)	114	114	(114)
Receivables	731	(2)	2	2	(2)
<b>Financial liabilities:</b>					
Payables	634	-	-	-	-
Borrowings	3,324	64	(64)	(64)	64
<b>Total increase/(decrease)</b>		<b>(52)</b>	<b>52</b>	<b>52</b>	<b>(52)</b>

## > Financial Statements

### For the year ended 31 October 2008

#### NOTE 20 CONSULTANTS ENGAGED

There were 18 projects undertaken for the ARMB by consultants. The total costs of these assignments were \$505,267 (2007: \$338,247).

The following table lists the consultants engaged in 2007-08 where total remuneration was \$100,000 or above.

Consultant	Project	Total approved project fee	Expenditure 2007-08	Future committed expenditure
Russell Kennedy Solicitors	Various leasing arrangements and consents	\$97,976	\$97,976	Nil
	Dispute resolution	\$53,531	\$53,531	Nil
	Freedom of Information	\$1,372	\$1,372	Nil
	<i>Total remuneration</i>	<i>\$152,879</i>	<i>\$152,879</i>	<i>Nil</i>

#### NOTE 21 RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING SURPLUS

	2008 \$'000	2007 \$'000
Operating Profit/(Loss) for the period	(130)	1,489
Depreciation	2,095	1,547
Accretion	234	-
Recognition of Art Work	(118)	-
Net (Profit)/Loss on Sale of Fixed Assets	490	15
Doubtful debts expense	-	(6)
Decrease/(Increase) in Trade and Other Debtors	(37)	(87)
Decrease/(Increase) in Inventories	(5)	24
Decrease/(Increase) in Other Current Assets	34	(23)
Decrease/(Increase) in Other Non-Current Assets	10	13
Increase/(Decrease) in Trade and Other Creditors	(149)	(385)
Increase/(Decrease) in Current Provisions	82	16
Increase/(Decrease) in Non-Current Provisions	62	(22)
Increase/(Decrease) in Unearned Revenue	165	6
<b>Net Cash Generated by Operations</b>	<b>2,733</b>	<b>2,587</b>

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## For the year ended 31 October 2008

### NOTE 22

#### NET FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The net fair value of financial assets and financial liabilities detailed in the balance sheet are not materially different to the carrying value of the financial assets and financial liabilities.

### NOTE 23

#### RESPONSIBLE PERSONS

##### a) Board Meetings

The following table records the attendance of members at board meetings between 1 November 2007 and 31 October 2008:

	Total Meetings while in office	Meetings Attended
<b>Board Members</b>		
John Dyson (Chairman)	10	10
Don Cummins (Deputy Chairman)	10	9
Judy Dixon	10	10
Bruce Dowding	10	6
Susan Hocking	10	10
Andrew Abercrombie	10	7
Stuart Worn	10	10

##### b) Responsible Persons

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

Gavin Jennings MLC,  
(Minister for the Environment and Climate Change)  
John Dyson, (Chairman of ARMB)  
Don Cummins, (Deputy Chairman of ARMB)  
Judy Dixon, (ARMB Member)  
Bruce Dowding, (ARMB Member)  
Susan Hocking, (ARMB Member)  
Andrew Abercrombie, (ARMB member)  
Stuart Worn, (ARMB member)  
Phillip Nunn, (Chief Executive Officer)

#### Remuneration of Responsible Persons

Remuneration received, or due and receivable from the ARMB in connection with the management of the ARMB for the financial period ended 31 October 2008 was \$266,805 (2007: \$226,298). Total remuneration includes an accrual for an estimated incentive payment to the CEO. The number of Responsible Persons whose remuneration from the ARMB was within the specified bands is as follows:

\$000's	2008	2007
1-10	6	7
11-20	1	1
171-180	-	1
201 – 210	1	-

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

#### Retirement Benefits of Responsible Persons

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

#### Loans

At 31 October 2008 there were no loans in existence that have been made, guaranteed or secured by the Board to a Responsible Person of the ARMB or a related party of a Responsible Person.

#### Shares

There were no interests in the shares of related entities held by Responsible Persons of the ARMB during the financial period ended 31 October 2008.

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### For the year ended 31 October 2008

#### **NOTE 23**

#### **RESPONSIBLE PERSONS (CONTINUED)**

##### **Related party transactions**

John Dyson is a member of Yuredla Ski Club, an organisation which is a leaseholder on Mount Buller. Mr Dyson is also a member of the Ski Club of Victoria and the Mount Buller Race Club. Mr Dyson is a member of the Alpine Resorts Coordinating Council (ARCC) and receives remuneration of \$7,700 annually from the ARCC.

Bruce Dowding is a director of Buller Ski Lifts Ltd, a group of companies that has many contractual arrangements with the ARMB. Mr Dowding is also a Board Member of the Mansfield-Mount Buller Regional Tourism Association Ltd (MMBRTA). Mr Dowding received no direct remuneration from this position.

Stuart Worn is a member of Alkira Ski Club, an organisation which is a leaseholder on Mount Buller. Mr Worn is also a member of the Ski Club of Victoria.

Andrew Abercrombie is a member of Ski Club of Victoria, and the Mount Buller Race Club. Mr Abercrombie has an interest in an apartment located at Alto Villas, Mt Buller. Mr Abercrombie is also employed by Buller Ski Lifts Pty Ltd as a ski instructor.

Judy Dixon is a member of the Board of Alpine Resort Tourism (BART). Ms Dixon did not receive any remuneration from BART.

Susan Hocking is a member of the Ski Club of Victoria.

Don Cummins has no related interests in the operation of the ARMB.

Philip Nunn is currently on the boards of the Mansfield-Mount Buller Regional Tourism Association Ltd (MMBRTA) and the Board of Alpine Regional Tourism (BART). Mr Nunn is also a committee member of the Snow Safe Inc. and National Alpine Museum. The National Alpine Museum received a grant of \$25,000 during this financial year from the ARMB, and an additional \$5,996 for the purchase of Buller Books. Mr Nunn received no direct remuneration from these positions.

Snow Safe Inc. is an organisation established to promote and enhance public safety in the ski fields. Snow Safe charges Ski Industry participants, including the ARMB for materials provided for public distribution. In the financial year ending 31 October 2008, the amount paid by the ARMB to Snow Safe Inc was \$3,000 (2007: \$nil).

Mansfield-Mount Buller Regional Tourism Association Ltd (MMBRTA) is a company limited by guarantee of which the ARMB is the guarantor. Transactions to the value of \$239,439 (2007: \$312,737) were incurred and paid on behalf of MMBRTA by the ARMB and \$18,895 (2007: \$7,786) was invoiced to the MMBRTA by the ARMB being payments for gate entry and reimbursement of fuel expenses.

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### For the year ended 31 October 2008

	2008	2007
	\$'000	\$'000
<b>NOTE 23</b>		
<b>RESPONSIBLE PERSONS (CONTINUED)</b>		
The following additional transactions have been entered into with related party entities:		
<b>Yurredla Ski Club</b>		
No transactions were entered into with this entity	-	-
<b>Ski Club of Victoria</b>		
Revenue received <sup>(1)</sup>	56	56
Other services paid	(12)	(10)
<b>Buller Ski Lifts Ltd</b>		
Revenue received <sup>(1)</sup>	775	750
Snow making contribution	(195)	(189)
Grooming costs	-	(46)
Machinery hire	-	(57)
Other services paid	(81)	(31)
<b>Alkira Ski Club</b>		
Revenue received <sup>(1)</sup>	25	26
<b>Alto Villas</b>		
Revenue received <sup>(1)</sup>	149	144

*(1) Revenue received includes site rent and service charges which are levied in accordance with the site lease contract and using a formula that is equally applied to all sites, and payments for advertising in ARMB collateral and the website.*

#### c) Executive Officers Remuneration

The number of executive officers, other than responsible persons, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long service leave payments, allowances, vehicles, redundancy payments and retirement benefits.

Several factors have affected total remuneration payable to executives over the year. During 2007 the Chief Finance Officer resigned and was replaced by the current Finance and Risk Manager after a period of 4 months. This has the effect of reducing total remuneration for the 4 month period where there was no Finance executive, and as remuneration for this executive position was spread across two individuals, there was no executive earning over \$100,000 in the Finance department in 2007.

The Strategic Growth and Marketing Manager commenced employment with the ARMB in January 2007, and therefore only 10 months of salary for this executive position (now the Marketing and Communications Manager) is included in 2007.

In addition, 2 staff members, being the Environment Manager and Engineer, were promoted to Executive status during 2008. These positions were not previously considered part of the Executive team and thus their salaries are not included in the 2007 total.

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### For the year ended 31 October 2008

#### NOTE 23 RESPONSIBLE PERSONS (CONTINUED)

The number of executive officers whose remuneration falls with in the specified bands above \$100,000 is as follows:

\$000's	Total Remuneration		Base Remuneration	
	2008 No.	2007 No.	2008 No.	2007 No.
101 – 110	1	-	-	2
111 – 120	2	-	1	-
121 – 130	-	1	1	-
131 – 140	1	1	-	-
161 – 170	1	-	-	-
	5	2	2	2
<b>Total Amount*</b>	\$746,500	\$437,403	\$588,104	\$322,764

\* Represents the total amount paid or payable to all executive officers, including those below the \$100,000 remuneration level and therefore not included in the banding table above.

#### NOTE 24 EVENTS OCCURRING AFTER BALANCE SHEET DATE

No matters or circumstances have arisen since the end of the reporting period which may significantly affect the operations of the ARMB, the result of those operations, and the state of affairs of the ARMB in future financial years:

#### NOTE 25 LEASING ARRANGEMENTS

##### Crown land

Crown Land is recorded in the accounts of the ARMB at the Valuer-General's valuation. The ARMB has brought to account the rental revenue in relation to the leased sites and does not account for depreciation since the class of assets is defined as land. The ARMB, acting as a Committee of Management under Section 38 of the *Alpine Resorts (Management) Act 1997*, manages 176 Crown lease arrangements with site holders. The lease arrangements cover lease periods from three to ninety-nine years.

##### Gas network

The right to operate the LP Gas system was licensed to Indigo Shire Council in June 2002. The ARMB has retained the majority of the infrastructure assets associated with the delivery of gas to the site holders on the mountain. The ARMB has leased the use of these assets to Indigo Shire Council for ten years and will receive \$100,000 per annum (indexed for CPI) during the period of the lease. The lease contains provisions for further ten year options. All assets remain the property of the ARMB at the conclusion of the lease period.

##### Non-cancellable operating lease receivables

Not longer than 1 year  
Longer than 1 year and not longer than 5 years  
Longer than 5 years

	2008 \$'000	2007 \$'000
Not longer than 1 year	3,616	3,399
Longer than 1 year and not longer than 5 years	13,639	12,912
Longer than 5 years	88,333	87,056
	105,588	103,367

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## Auditor General's Report

### VAGO

Victorian Auditor-General's Office

#### INDEPENDENT AUDITOR'S REPORT

##### To the Board Members, Mount Buller and Mount Stirling Alpine Resort Management Board

###### *The Financial Report*

The accompanying financial report for the year ended 31 October 2008 of the Mount Buller and Mount Stirling Alpine Resort Management Board which comprises of the operating statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the statement by the Mount Buller and Mount Stirling Alpine Resort Management Board Chairman and Chief Executive Officer has been audited.

###### *The Board Members' Responsibility for the Financial Report*

The Board members of the Mount Buller and Mount Stirling Alpine Resort Management Board are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Financial Management Act 1994*. This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

###### *Auditor's Responsibility*

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

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

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*Auditing in the Public Interest*

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## Auditor General's Report

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### Independent Auditor's Report (continued)

#### *Matters Relating to the Electronic Presentation of the Audited Financial Report*

This auditor's report relates to the financial statements published in both the annual report and on the website of the Mount Buller and Mount Stirling Alpine Resort Management Board for the year ended 31 October 2008. The Board Members of the Mount Buller and Mount Stirling Alpine Resort Management Board are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the Mount Buller and Mount Stirling Alpine Resort Management Board web site.

#### *Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

#### *Auditor's Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Mount Buller and Mount Stirling Alpine Resort Management Board as at 31 October 2008 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE  
22 January 2009

  
D D R Pearson  
Auditor-General