



Annual Report 2024



Alpine Resorts
Victoria

Traditional Owner Acknowledgment

Alpine Resorts Victoria respectfully acknowledges all Aboriginal and Torres Strait Islander peoples as the Traditional Owners and custodians of the land and water on which all Australians rely.

We acknowledge and pay respect to the Gunaikurnai, Taungurung and Wurundjeri Woi Wurrung People as the First People and original custodians of much of the alpine land and water on which we rely and operate, their unique ability to know, read and care for Country and their deep spiritual, social and cultural connection to it. We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices.

We are committed to genuinely partner, and meaningfully engage, with Traditional Owners and Aboriginal communities to support the protection of Country, the maintenance of spiritual and cultural practices and their broader aspirations in the 21st century and beyond.

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Chair and CEO Report

The alpine resorts are significant contributors to the Victorian economy, collectively generating \$2.14 billion in economic output annually. They attract an average of 1.4 million visitors per year, which is equivalent to the combined visitation of other tourism icons such as Sovereign Hill, Puffing Billy and Philip Island Nature Park, and support more than 12,000 regional jobs. As such, the ongoing success and sustainability of the resorts is of vital importance to both the State and the regions in which they are located.

In 2024, Alpine Resorts Victoria (ARV) commissioned the delivery of the Alpine Resorts Economic Significance study to quantify the economic and social significance of the resorts. This piece of work validated what we inherently knew – that the resorts form the economic backbone of regional communities, deliver tangible benefits to all Victorians, and are major tourism drawcards for the State.

Minister for Environment and Minister for Tourism, Sport and Major Events, Steve Dimopoulos, launched this valuable piece of work in-resort at the opening of the 2024 snow season, which coincided with a major milestone at ARV's most popular resort – 100 years of skiing at Mt Buller. This significant event is reflective of the pioneering spirit that first established our resorts, and the legacy of entrepreneurialism and passion that continues to fuel them today.

At the season opening, the Minister also officially opened Alpine Gateway at Mt Hotham, a significant and much needed visitor facility that features a new multi-level car park. This infrastructure enhances the visitor experience and year-round access to key activities in the resort, and also effectively enables other development opportunities that will facilitate resort growth. Developments like this are critical in ensuring that our resorts continue to evolve to match the needs of current and emerging markets.

Organisationally, a major focus for ARV in 2024 has been the commencement of a broad body of strategic work that will assist us in making informed decisions about the future of the resorts, and underpin the development of our long-term financial plan. This includes an ARV Asset Management Strategy and consistent and contemporary asset category plans, a review of the 32 unique services delivered across the resorts, and the launch of an expression of interest associated with the management of Lake Mountain and Mt Baw Baw.

These initiatives intersect with a suite of other ARV strategic activities initiated in 2024, such as a Climate Change Adaptation Strategy, capacity analysis framework, integrated water management plans, Traditional Owner Engagement and Self Determination Strategy, a review of the Alpine Leasing Policy and the establishment of a singular Enterprise Agreement.

This is an immense scope of work delivered by a relatively small team in a limited period of time, however it is critical to enable ARV to make evidence-based decisions regarding the future viability of the resorts. This includes delivering a report on ARV's pathway to sustainability to the Minister by October 2025, as directed by the 2022 Letter of Expectations.

The financial sustainability of ARV as an organisation is a priority as we are being financially supported by the Victorian State Government. This funding, provided via a Letter of Comfort, recognises the long-term impacts of COVID-19 on our cash reserves, the increased cost of resort operations, the ongoing need to subsidise operations at Lake Mountain and Mt Baw Baw, and the revenue loss associated with a limited winter 2024 season.

Chair and CEO Report

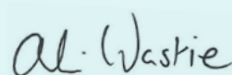
In this, our second year of operation, our leadership team and the Board continued to focus on building and embedding the foundations of the new entity. This included standardising systems, processes and practices across the organisation, moving the resorts onto common platforms and reducing duplication wherever possible. Across the reporting year, ARV has implemented a range of new systems across finance and human resource functions, and adopted new models and frameworks for risk, emergency management, OH&S, business continuity and procurement. This work is important in ensuring the compliance of ARV as a Statutory Authority and is also anticipated to deliver medium-term organisational efficiencies.

As always, our vast achievements rely on the hard work, dedication and commitment of every person on our team. We are proud to be supported by a dedicated year-round team, adventurous seasonal staff, partner organisations, contractors, and community and industry groups who all play a role in the success of ARV and the alpine industry. We thank them for their passion and output.

We particularly appreciate the efforts of the members of our Stakeholder Consultative Committees (SCCs) in each resort. Our SCCs provide advice relating to strategic and operational matters affecting the alpine resorts and are an important conduit to our alpine communities. We have tackled many challenges and changes this year in conjunction with our SCCs, and would like to acknowledge their commitment to the success of their resorts and the alpine sector more broadly.

We would also like to thank our dedicated and committed Board members who diligently guided and counselled our organisation throughout the year. We were delighted that the four members whose terms had come to an end were reappointed and can continue to contribute to the future of ARV and the alpine sector.

In accordance with the *Financial Management Act 1994* (FMA), we are pleased to present ARV's Annual Report for the year ending 31 December 2024.



Ali Wastie

Chair, Alpine Resorts Victoria Board



Amber Gardner

CEO, Alpine Resorts Victoria



Report of Operations 2024

ARV at a glance

1.38 million
million



Facilitates visits from 1.38 million people each year*



Each dollar of government investment generates an additional \$4 of private investment.*

\$2.14 billion
billion

\$2.14 billion annual economic output*



Invests \$2 million each year to protect the unique alpine environment.



\$1.33 billion direct spend from visitors*
> \$1.06 billion in winter
> \$270 million in green season



ARV manages six alpine resorts encompassing 10,590 hectares of unique alpine environment.



Supports 12,130 full-time equivalent jobs*
> 5960 in the resorts
> 2105 in regional LGAs
> 4065 in greater Victoria



Supports the sector to create alpine experiences for all Victorians.



The sector generates \$154 million in user and health benefits by supporting people to live active lives, fostering social connections with friends and families.*



Supports, maintains and upgrades \$520 million of (capital improved) assets across the resorts.*



The sector conserves the precious alpine ecosystem, protecting land, flora and fauna, and limiting environmental degradation.*



Supports the destination marketing of the alpine resorts, encouraging visitation.

* Economic Contributions and Benefits of Victoria's Alpine Resorts Study, ARV, 2024

2024 Visitation

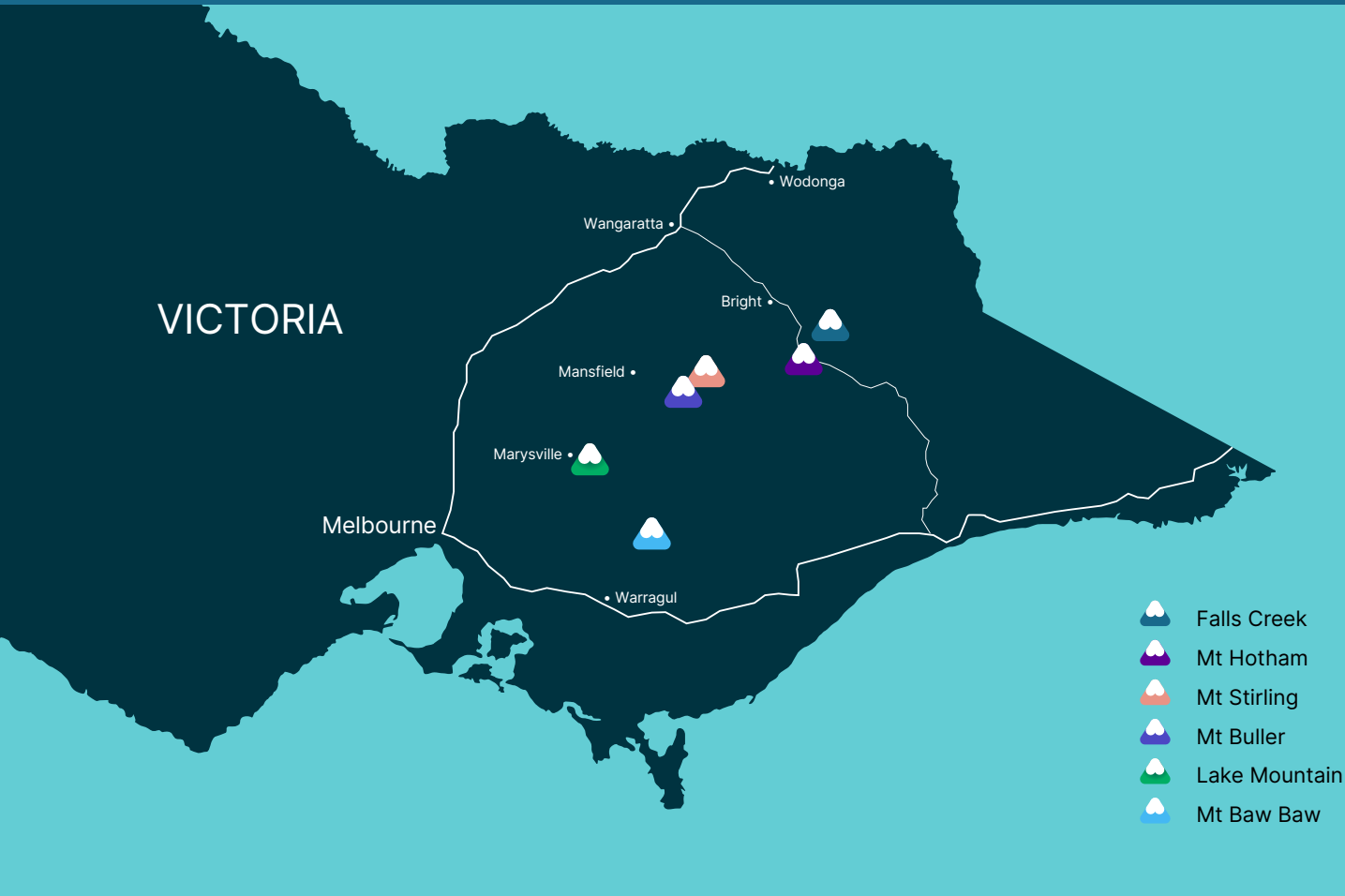
2024 Winter		
Resort	Visitors	Visitor days
Falls Creek	167,841	435,492
Lake Mountain	93,142	93,142
Mt Baw Baw	62,590	76,964
Mt Buller	284,023	444,157
Mt Hotham	134,101	255,157
Mt Stirling	7,919	9,846
All Resorts	749,616	1,314,758

2024 Green season		
Resort	Jan – May	Oct – Dec
Falls Creek	28,141*	41,912
Lake Mountain	10,761	8,502
Mt Baw Baw	18,527	6,344
Mt Buller	81,029	23,417
Mt Hotham	67,671	10,068
Mt Stirling	37,505	10,908
All Resorts	243,634	101,151

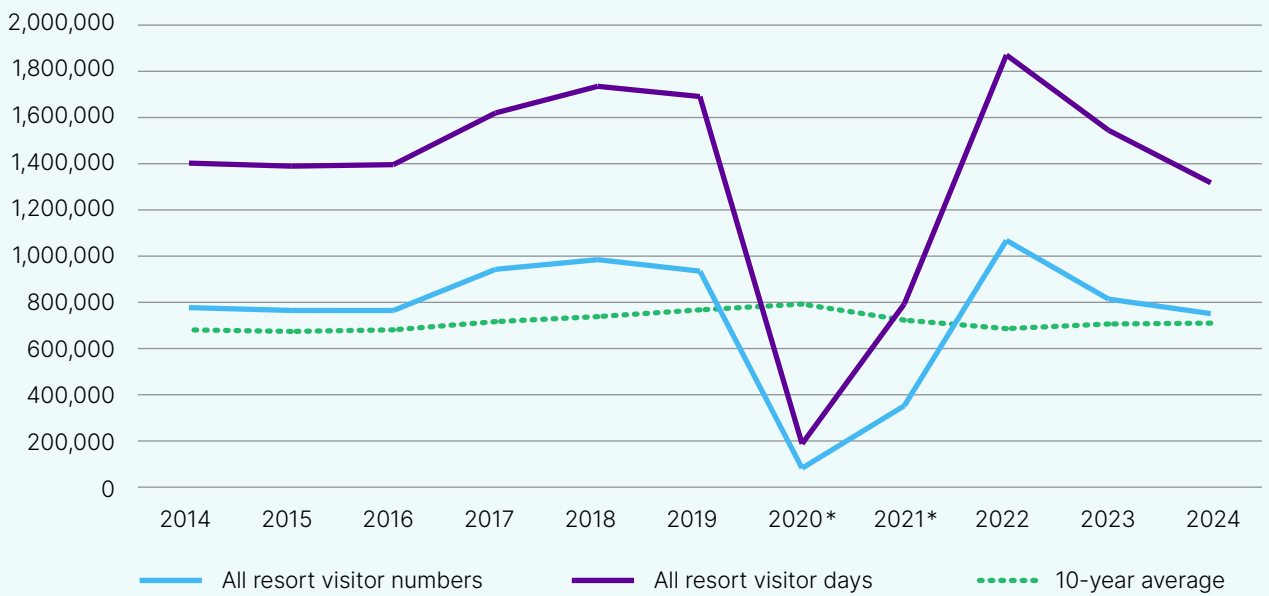
10-year previous average visitors	708,551	1,287,107
% change 10-year previous average visitors to 2024	+6.0%	+2.0%



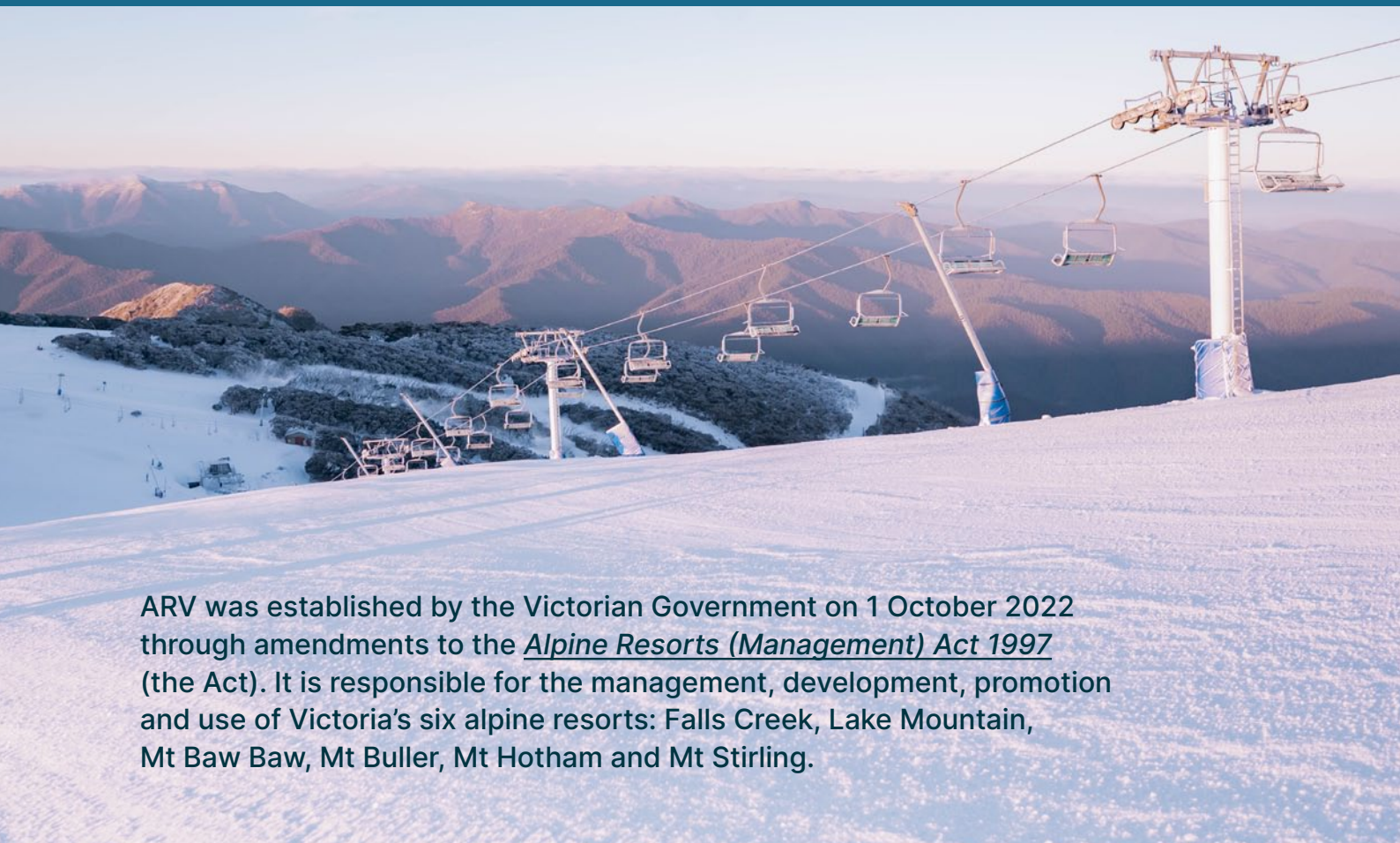
2024 Visitation



10-YEAR VISITATION AND AVERAGE



Establishment of ARV



ARV was established by the Victorian Government on 1 October 2022 through amendments to the Alpine Resorts (Management) Act 1997 (the Act). It is responsible for the management, development, promotion and use of Victoria's six alpine resorts: Falls Creek, Lake Mountain, Mt Baw Baw, Mt Buller, Mt Hotham and Mt Stirling.

ARV is a statutory authority that reports to the Minister for Environment and is subject to the general direction and control of the Minister. ARV is a body corporate and is considered a public body for the purposes of the FMA.

The establishment of ARV brought the management of the resorts together into one organisation and superseded the Alpine Resort Management Boards to build the economic resilience of the sector, streamline operations across the resorts where possible and coordinate responses to challenges.

The former Minister outlined detailed performance priorities for ARV in a Letter of Expectations dated 24 October 2022, which works alongside the Act and the Victorian Climate Change Strategy to provide the current policy context that ARV operates within.

ARV operates within the context of legislation, government policy and obligations, and our Letter of Expectations as well as stakeholder and visitor needs and expectations. Our decisions will be informed by our legislative requirements, the needs of the visitors and community, and the alpine industry. ARV is committed to establishing a successful organisation and delivering great outcomes for our customers, stakeholders, partners and the environment.

Establishment of ARV

ARV's Vision

Vibrant, sustainable and thriving alpine resorts that can be embraced by all and enjoyed by generations to come.

ARV's Purpose

To lead and unite the alpine sector in driving the resilience, adaptation and enhancement of Victoria's unique alpine resorts.

ARV's Objectives

To promote the management, development, promotion, and use of alpine resorts taking into account:

- > their unique characteristics
- > the environment and ecology of each resort and the effect of climate change on them
- > economic considerations
- > the cultural heritage and landscape, including indigenous cultural heritage and the requirements of any relevant traditional owner recognition and settlement agreement and
- > the use of alpine resorts for recreation and tourism in all seasons by diverse cultural and economic groups.

ARV's Principles

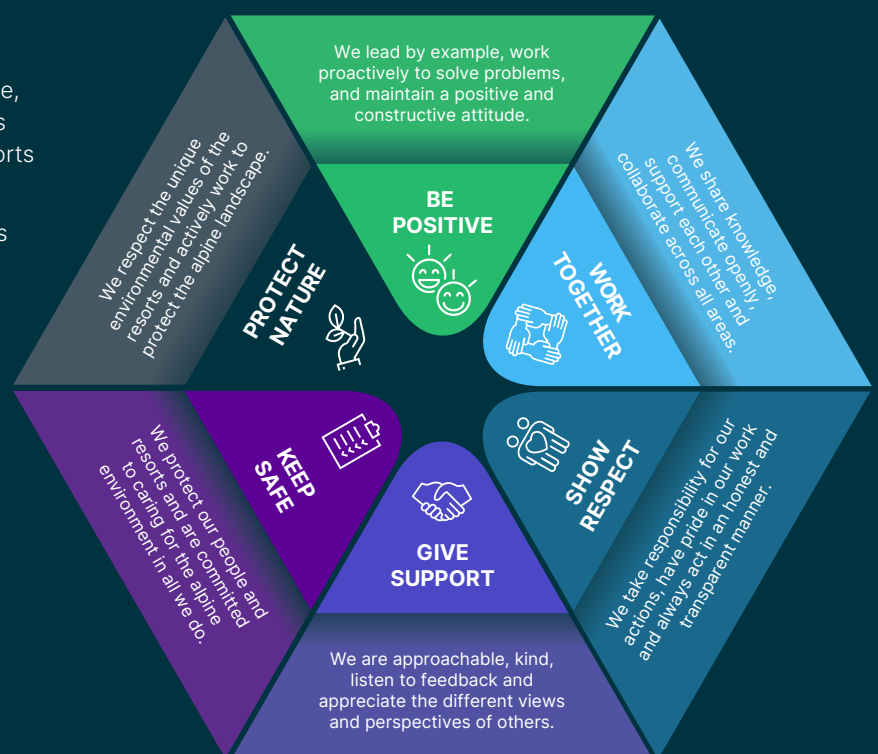
ARV will consider the following while performing all duties:

- > protecting the unique environmental, social, cultural, and economic characteristics of each alpine resort
- > planning for and managing all alpine resorts in a coordinated manner that adapts to and responds to the impacts and risks of climate change
- > the ongoing impact of the use of the alpine resorts on natural and cultural features and the ecology of the alpine resorts
- > respecting, protecting, and promoting Aboriginal self-determination, cultural values, practices, heritage, and knowledge in the alpine resorts
- > partnering with traditional owners in policy development, planning, and decision-making in the alpine resorts
- > protecting and enhancing the amenity, access, and use of each alpine resort, for the benefit and enjoyment of current and future generations of all Victorians and
- > promoting investment in a diverse range of tourism and recreation experiences, for all seasons, in each alpine resort.

ARV's Values

At ARV, we are a diverse team of passionate, capable and proud people working towards our goal of a sustainable future for our resorts and the alpine environment.

Our behaviours, our work and our decisions are guided by six core values:



Establishment of ARV

ARV's Core Functions



Source: Section 21 of the *Alpine Resorts (Management) Act 1997* (and 2022 amendments)

ARV's Operating Environment

ARV operates in a global environment that is rapidly changing. The coming decade will bring significant challenges and opportunities, including climate change, greater Aboriginal self-determination, population growth, rising living costs, changing visitor economy trends and financial sustainability. ARV resorts will need to adapt to dramatic shifts to where and how alpine communities live, work and play.

Our Strategy

ARV works to several key government policies and directions including:

- > Letter of Expectations: expectations set by the Minister for Environment, aligned to the Alpine Resorts Strategic Plan 2020–2025 and setting priorities for ARV to address within the nominated period.
- > The Alpine Resorts Strategic Plan (ARSP): the key strategic tool currently guiding the alpine sector. This will be reviewed and updated in 2025 to reflect the current operating environment of the resorts and their journey to financial sustainability. The Plan aims to encompass the needs and opportunities for the sector in its entirety, ensuring that all facets of Victoria’s alpine resorts work towards common goals and success.

STRATEGIC OBJECTIVES

The Victorian alpine resorts achieve their potential as thriving and sustainable destinations for mountain activities and nature-based tourism.



Our Strategy

Strategic Objective 1

Enable investment that drives sustainable businesses

Strategic Action 1.1

Identify new, and enhance current, year-round experiences that attract investment.

Strategic Action 1.2

Seek opportunities for diverse sources of development funding.

Strategic Action 1.3

Work with infrastructure and service providers to maintain, upgrade, replace and provide the optimum suite of assets for a sustainable, climate-ready alpine region.

Strategic Objective 2

Protect and enhance the mountain environment and adapt to climate change

Strategic Action 2.1

Lead climate change adaptation planning for the alpine resort sector informed by the *Alpine Resorts Futures Vulnerability Assessment* delivered by DELWP in 2017.

Strategic Action 2.2

Sustain and protect the biodiversity of the alpine ecosystems.

Strategic Action 2.3

Connect people with the alpine environment and enable low impact visitation.

Strategic Action 2.4

Reduce the environmental footprint of the alpine resorts.

Strategic Objective 3

Enhance the visitor experience

Strategic Action 3.1

Deliver the optimum visitor experience by matching infrastructure and services with visitor needs via marketing and communications.

Strategic Action 3.2

Deliver a resort experience that meets the needs of current and emerging markets.

Our Strategy

Strategic Objective 4 Implement practical policy and regulatory reform

Strategic Action 4.1
Implement alpine governance reform.

Strategic Action 4.2
Lead planning and leasing reform.

Strategic Action 4.3
Identify practical solutions to industry priorities.

Strategic Objective 5 Enhance organisational excellence and sustainability

Strategic Objective 6 Build constructive culture and leadership capabilities

Strategic Action 6.1
Create an inclusive, safe and constructive work environment.

Strategic Action 6.2
Improve employee attraction and retention.

Strategic Action 6.3
Build cultural competence of all Board and staff members with Traditional Owner engagement.

External Drivers Influencing our Strategy

CLIMATE CHANGE

The impacts of climate change are already being experienced across Australia. With continued changes in the frequency, severity and intensity of climate-related hazards and events, alpine regions are projected to experience climate-driven losses in ecosystems, landscapes and culture. In accordance with our legislative obligations, ARV recognises the need for a proactive approach to adapting to evolving climatic conditions to maintain the alpine region's recreational, economic and ecological integrity.

ARV is committed to driving resilience and building on the adaptability that has long defined alpine resorts, providing a forward-looking framework for guiding adaptation across the resorts over the next 10 years.

In the face of rising temperatures, declines in rainfall and natural snow falls, more extreme and frequent climatic events and increased number of extreme fire weather days, it has never been more important to work with industry partners and innovators to identify and capitalise on opportunities, new technologies and diversification of offerings. Key to this is unified effort to future-proof energy and water systems, support world-leading snow management, tap into the growing demand for sustainable tourism, build climate resilient infrastructure and promote the sector as a whole.

FINANCIAL SUSTAINABILITY

The resorts' income reduced significantly during the COVID-19 pandemic, and cash reserves have not been able to be replenished. As such, the resorts continue to operate in deficit, exacerbated by the long-term deficits at Lake Mountain and Mt Baw Baw, and poor snow seasons in 2023 and 2024.

Ongoing support from the Victorian State Government through a Treasury Letter of Comfort arrangement, conditional on limiting expenditure to essential operating items, has enabled ARV to meet its financial obligations and ensured continued operations while it develops a pathway to financial sustainability.

This includes maintaining operations at Lake Mountain and Mt Baw Baw, which have operated in deficit for more than 20 years while subsidised by Government. ARV has implemented significant operational changes to increase revenue and reduce operating costs, but the resorts continue to need financial support. As the private sector may be better placed to operate these resorts and generate tourism offerings that benefit the local and regional economies, ARV has tested the market through an Expression of Interest. The results will be known in 2025.

ABORIGINAL SELF-DETERMINATION

The alpine country within Victoria is part of an Aboriginal cultural landscape. This includes the traditional country of three Registered Aboriginal Parties:

- > Gunaikurnai Land and Waters Aboriginal Corporation
- > Taungurung Land and Waters Council and
- > Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation.

There are other First Nations groups that also have connection to and assert interest and rights in alpine country, particularly the lands on which Falls Creek Alpine Resort operates.

ARV is committed to supporting self-determination and an integral part of our strategy is partnering with Traditional Owners in the management of the resorts, and in matters of policy development, planning and decision-making where and when the Traditional Owners determine that aligns with their objectives and priorities.

Legal Responsibilities

LEGAL RESPONSIBILITIES

The statutory obligations and undertakings of ARV are:

- > as a public entity established under the *Alpine Resort Management Act 1997* to manage the Crown land declared to be the six alpine resorts and to deliver the functions and services specified in the Act
- > to act as a Committee of Management under the *Crown Land (Reserves) Act 1978*, and to exercise the powers conferred under that Act
- > to be taken as a municipal council for the purposes of the *Emergency Management Act 2013* and Division 2A of Part 9 of the *Environmental Protection Act 2017*
- > to administer and enforce Parts 3, 4, 5, 7 and 8 of the *Building Act 1993* and the building regulations in the resort
- to regulate traffic and parking within the resort as a prescribed Public Authority under the *Road Safety Act 1986*
- > to provide public health services within the resort under the provisions of the *Public Health and Wellbeing Act 2008* and *Food Act 1984* and
- > to consider applications for planning permits in accordance with Sections 52 and 55 of the *Planning and Environment Act 1987*.

ARV BOARD

The ARV Board was established on 1 October 2022 and consists of nine members:

- > Ali Wastie – Chair
- > Helen Moran – Deputy Chair
- > Daniel Miller – Board member
- > Julia Hunter – Board member
- > Kaley Nicholson – Board member
- > Michael Monester – Board member
- > Nadia Jaworski – Board member
- > Natalie Ajay – Board member
- > Peter Anderson – Board member

The Board has four committees being:

- > Finance, Risk and Audit Subcommittee
- > First Nations and Stakeholder Engagement Subcommittee
- > People, Culture and Remuneration Subcommittee
- > Strategic Planning, Asset Management and Commercial Operations Subcommittee

See page 41 for Board meeting attendance

ARV Transition Plan

The resort's systems and process transition is a significant, multi-stage, multi-year project that is critical in underpinning the future operational success of ARV. ARV developed a transition plan as part of the establishment of the organisation to amalgamate and standardise the systems and processes of the resorts, identifying and prioritising those areas most aligned to core business practices.

Consideration was given to a number of key factors in the development of the high-level phase one transition plan to ensure the ARV roadmap establishes a clear path forward. These are:

- > priority systems and processes to support immediate operational activities and financial reporting requirements
- > existing best practices (systems and processes) within each of the resorts that can be adopted by ARV
- > adoption of a standard approach for the gathering of fixed revenue across all resorts
- > flexible ICT roadmap to enable core system consolidation, which is operationally focused, leverages ARV procurement opportunities and supports future data analysis and
- > Ability of ARV teams to absorb multiple system and process changes following a number of challenging operational years, embedding of the new organisational structure and snow season operational commitments.

ARV Transition Plan

Key Transition Projects

The milestones in the table below were identified as project deliverables aligning to the requirements outlined in the Minister's Letter of Expectations.

Milestone	Status at 31 December 2024
ARV Organisational Structure – Delivery of the ARV central model	Complete
Enterprise Agreement – Commencement and delivery of the ARV consolidated Enterprise Agreement	In progress
ARV Transformation Team – Establishment of the transformation operating model	Complete
ARV Central Operating Model – Embedding immediate operational requirements	Complete
ARV ICT Strategy – Finalisation of the (multi-year) IT strategy	Complete
Process Priorities – Implementation and/or detailed plan in place for identified initiatives in the workstreams of:	
> Finance, Audit & Risk	Complete
> IT Systems, Application & Infrastructure	In progress
> People & Culture	Complete
> Property & Planning	In progress
> Environment & Climate Change	Complete
> Tourism, Strategy & Planning	Complete
> Assets and Infrastructure	Complete
Implementation of Core Systems:	
> Finance System	Complete
> Property Platform	In progress
> Payroll	Complete
> HRIS	Complete
> Document Management	Complete

Financial Summary

FINANCIAL SUMMARY	Year ended	15 months ended
	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
Visitor income	25,496	26,239
Site rental and service charges	25,012	31,797
Grant funding	23,635	21,168
Other income	4,943	5,218
Operating expenditure*	64,400	70,537
Operating surplus/(deficit) before depreciation and amortisation, interest expenses and other economic flows	14,686	13,884
Non-operating transactions	10,293	13,689
Comprehensive result	4,393	196
Cash inflows from operating activities	5,123	12,207
Total assets	545,128	549,276
Total liabilities	22,281	30,821
Net assets	522,847	518,455

ARV was established on 1 October 2022.

As such there are only prior period comparatives up to the date of establishment included in this financial report.

* Operating expenditure excludes financing charges and depreciation/amortisation and therefore differs from total expenses from transactions on page 60 of the financial statements.

The key variance in the income statement components year on year is due to the 2023 year (the establishment year) comprising 15 months, compared to 2024 comprising 12 months. This is the major driver behind reductions in visitor income, site rental and service charges, operating expenditure and non-operating transactions (which is predominantly depreciation and amortisation).



Strategic Objectives 2024

Objective 1

Enable investment that drives sustainable businesses

The alpine resorts are iconic tourism destinations that make a significant contribution to Victoria's visitor economy. ARV plays an important role in enabling ongoing investment in the resorts by both the public and private sectors.

Since inception, ARV has worked with tourism and alpine operators to diversify and develop the visitor experience and public infrastructure of the resorts, primarily through investment from both State and Federal grant programs.

ARV also seeks to attract commercial investment in the resorts to continually enhance the visitor experience.

As a land manager for 10,590 hectares and 450 leasehold properties, ARV facilitates property administration and planning that supports sustainable development. ARV also delivers essential services such as power, gas and water that are foundational for successful resort operations, and continued growth to meet the evolving needs of visitors.

In addition, ARV faces the challenge of ensuring the regulatory frameworks that the organisation operates within support these objectives, and that external factors are managed or influenced to facilitate any required changes. This is where ARV's role as an advocate and lead voice for the alpine sector is critical.

ECONOMIC SIGNIFICANCE OF THE ALPINE RESORTS

Victoria's alpine resorts are major contributors to the Victorian visitor economy. To quantify the scale of this contribution, ARV commissioned consultants SGS Economics & Planning to deliver a study of the economic and social significance of Mt Buller, Falls Creek, Mt Hotham, Mt Stirling, Mt Baw Baw and Lake Mountain Alpine Resort. This work revisits and builds on a similar study by EY for the Alpine Resorts Coordinating Council in 2017.

The study, released in June 2024 to coincide with the official opening of the snow season, found that the alpine resorts collectively deliver:

- > \$2.14 billion dollars in economic output annually, with \$1.33 billion generated directly by visitor expenditure
- > 12,130 full-time equivalent jobs
- > the equivalent of \$154 million in annual user and health benefits, including \$137 million in improved mental and physical health of resort visitors
- > \$820 million in annual existence benefits, which is the value people gain from the presence of the alpine resorts even without direct use
- > \$133 million in annual benefits for businesses and workers, consisting of \$121 million in business profits and \$12 million in benefits for workers and
- > for every \$1 of government investment in resort assets, this leverages \$4 in private sector investment.

Beyond economic benefits, the study also found that the resorts provide important environmental benefits to the state's ecosystems through programs run by ARV, including renewable energy generation, resource recovery, land stability programs, integrated water management, weed and pest control, biodiversity management and threatened species management.

In addition, Victoria's alpine resorts offer social benefits such as improved wellbeing and physical health, including:

- > improved physical health for visitors, stemming from participation in activities that contribute to people living healthier and longer lives
- > reduced health system costs related to managing diseases linked with physical inactivity and
- > improved economic productivity due to physically active individuals taking fewer sick days than physically inactive individuals.

Objective 1

Enable investment that drives sustainable businesses

EXPRESSION OF INTEREST FOR LAKE MOUNTAIN AND MT BAW BAW MANAGEMENT

Since assuming management of Lake Mountain and Mt Baw Baw, ARV has introduced a series of operational changes that have enhanced the profitability of commercial services in these resorts and also reduced operational costs. This work has delivered positive outcomes so far, reflective of the hard work and commitment of the teams at Mt Baw Baw and Lake Mountain.

While ARV remains committed to delivering further efficiencies at Lake Mountain and Mt Baw Baw, it acknowledges that other commercial entities may be better positioned to run these mountains in a more efficient and effective way. Importantly, alternate commercial operators may have capacity to invest in the tourism offerings of these destinations to provide them with a vibrant and sustainable future.

In order to test the market and potential opportunities associated with these resorts, ARV launched an expression of interest (EOI) for Mt Baw Baw and Lake Mountain at the start of December 2024. Closing February 2025, the EOI asked suitably qualified entities to propose management solutions for one or both resorts, in their entirety, including the operation of both commercial and essential services.



VIA FERRATA AT MT BULLER

Australia's first via ferrata "RockWire" climb opened at Mt Buller in February 2024.

This green season activity offers guests a taste of mountaineering on Mt Buller's summit in a safe environment, with a climbing instructor leading the way.

The "RockWire" enables guests to be hooked onto a continuous steel cable system that enables them to safely traverse the summit's west face using fixed anchors, ladders, bridges and handholds. In its first season, more than 430 climbers aged from nine to 78 scaled the heights. The term "via ferrata" means "iron way" in Italian, and dates back to World War One, when soldiers built cable systems to help them cross challenging mountain passes in the Dolomites. This was an initiative of Buller Ski Lifts, which was supported by ARV under the strategic objective of enhancing the visitor experience and offering iconic products for resort guests. Plans are in place for a second via ferrata course on the summit to open in 2025.



Objective 1

Enable investment that drives sustainable businesses



MT HOTHAM ALPINE GATEWAY

Alpine Gateway, which opened in June 2024, operates as a new trailhead for the Falls to Hotham Alpine Crossing and a visitor facility to enhance year-round access to mountain activities. With a multi-level car park, including more than 50 undercover parking spaces, the site provides direct ski field access and is fitted out with fully accessible amenities including lockers, showers and heated community areas.

The impressive day shelter also provides Disabled Wintersport Australia (DWA) with a 20-square-meter storage and workshop area, along with a transfer room for intermediate-to-advanced sit skiers to transfer themselves seamlessly to the snow fields. Supported with funding by the Victorian Government, the facility will also serve as an ideal starting point for exploring the area's network of walking trails in the warmer months.

KEY WORKER ACCOMMODATION

ARV has supported continued investment and attraction of funding from the Regional Worker Accommodation Fund (RWAFF) to create an additional 1300 worker accommodation beds across Falls Creek, Mt Buller and Mt Hotham.

This \$138 million project, to be delivered by the Grollo Group, will see the development of 1300 new key worker beds at the Mt Hotham Airfield, Mt Buller and Bogong Village near Falls Creek. The Grollo Group, which is the recipient of the RWAFF, will build modern and appropriate accommodation that meets the increasing demand for worker accommodation at the resorts.

This project is essential to ensuring the sustainability of Victoria's alpine resorts and provides critical investment in resorts to enable continued and sustainable growth for the sector. The project is expected to commence in 2025 and to be completed by the end of 2026.

KEY PERFORMANCE INDICATORS

Enable investment that drives sustainable businesses	
Increase in capital improved value of leased assets across all resorts, current 2023 value is \$1.7B	\$1.9 billion
Increase in number of new or enhanced experiences on offer in resorts	✓

Objective 2

Protect and enhance the mountain environment and adapt to climate change

Victoria's alpine resorts contain some of Victoria's most spectacular and resilient country. Largely surrounded by the Alpine, Yarra Ranges and Baw Baw National Parks, the resorts offer an accessible gateway into alpine landscapes, rich in environmental and cultural values. These areas feature endemic native vegetation including tall ash forests, majestic snow gums and treeless herbfields brimming with wildflowers. The alpine resorts contain habitat for many rare, threatened and endangered species, including the Mountain Pygmy and Leadbeater's possums, Baw Baw Frog, Alpine Stoneflies and Bogong Moths.

Biodiversity 2037 is Victoria's plan to stop the decline of native plants and animals providing the policy framework to guide the delivery of on-ground actions to ensure Victoria's biodiversity is healthy, valued and actively cared for. As the public land manager, ARV works with stakeholders, taking responsibility for managing the resources to contribute to delivering the state-wide targets under Biodiversity 2037.

The impacts of climate change on Victoria's biodiversity are already being felt, with alpine species among the most affected. ARV's environmental programs actively aim to mitigate risks and threats to biodiversity through consistent, evidence-based and adaptive management methods. ARV's standard operations around environmental management aim to contribute to the state-wide target of 100% change in suitable habitat (CSH). A 100% CSH is defined in Biodiversity 2037 as "100% positive change in the outlook for threatened species in 50 years, with co-benefits for non-threatened species, measured across Victoria".¹

Biodiversity 2037 also outlines that people's personal wellbeing, along with the state's economic wellbeing are dependent on the health of, and access to, the natural environment. ARV's work facilitates this, as the resorts provide safe and accessible alpine experiences for visitors and the community.

The environmental value and experiences in nature continue to be key strengths for the alpine resorts, which are promoted through resort communications and marketing. Resorts offer many activities that are both enjoyable and educational, in both green season and white seasons.

Operational activities that support environmental objectives include pest plant and animal management and control, native flora and fauna management and sustainable waste management. Support for research programs in the resorts is ongoing.

To ensure this strategic objective is met, ARV will continue environmental on-ground works across all resorts while also assuming a leadership role in supporting alpine communities to adapt to the impacts of climate change and integrate climate change mitigation and adaptation into all decision-making processes. This includes reducing emissions (mitigation) and building resilience (adaptation) to the impacts of climate change. The completion and implementation of ARV's Climate Change Adaptation Strategy, developed during 2024 with stakeholders from across the alpine sector, will guide the sustainability of the alpine resorts into the future.

CLIMATE CHANGE METRICS

In line with the Victorian Government's contribution to reaching net-zero emissions for the state by 2045, ARV is required to report on the following FRD24 Tier 4 climate change metrics identifying greenhouse gas emissions and their sources within ARV organisational boundaries. From 2025, ARV will work to establish systems for the collection and reporting of data consistent with FRD24 Tier 3b.

ARV's organisational boundary is the emissions profile of ARV-specific services and functions in accordance with the *Alpine Resorts Management Act (1997)*.

There are no reportable material activities.

1 https://www.environment.vic.gov.au/_data/assets/pdf_file/0020/115481/MER-Strategy-for-the-Biodiversity-Plan_FINAL.pdf

Objective 2

Protect and enhance the mountain environment and adapt to climate change

ELECTRICITY CONSUMPTION AND OFFSETS

Table 01: Total electricity consumption segmented by source and total electricity offsets segmented by offset type

Resort	Indicator	1 January 2024 – 31 December 2024
Falls Creek	Total electricity consumption (MWh) > Purchased electricity – consolidated > Self-generated	901.09 MWh – 901.09 MWh – 0
	Total electricity offsets (MWh) > LGCs voluntarily retired by the entity > Greenpower	15 MWh – Nil – 15 MWh
Lake Mountain	Total electricity consumption (MWh) > Purchased electricity – consolidated > Self-generated	535 MWh – Nil – 535 MWh
	Total electricity offsets (MWh) > LGCs voluntarily retired by the entity > Greenpower	92 MWh – Nil – 92 MWh
Mt Baw Baw	Total electricity consumption (MWh) > Purchased electricity – consolidated > Self-generated	725 MWh – Nil – 725 MWh
	Total electricity offsets (MWh) > LGCs voluntarily retired by the entity > Greenpower	4.2 MWh – Nil – 4.2 MWh of solar offset
Mt Buller	Total electricity consumption (MWh) > Purchased electricity – consolidated > Self-generated	2,567 MWh – 2,567 MWh – Nil
	Total electricity offsets (MWh) > LGCs voluntarily retired by the entity > Greenpower	Nil – Nil – Nil
Mt Stirling	Total electricity consumption (MWh) > Purchased electricity – consolidated > Self-generated	22.6 MWh – Nil – 22.6 MWh
	Total electricity offsets (MWh) > LGCs voluntarily retired by the entity > Greenpower	Nil – Nil – Nil
Mt Hotham	Total electricity consumption (MWh) > Purchased electricity – consolidated > Self-generated	927.37 MWh – 927.37 MWh – Nil
	Total electricity offsets (MWh) > LGCs voluntarily retired by the entity > Greenpower	Nil – Nil – Nil

Objective 2

Protect and enhance the mountain environment and adapt to climate change

ARV'S ORGANISATIONAL BOUNDARY

The ARV organisational boundary includes assets and services provided in relation to the five alpine resort areas.

MATERIALITY AND COMPLETENESS

The material contributions to greenhouse gas emissions in alpine resorts relate to:

1. ULP and diesel for operation of vehicles and plant;
2. LPG and diesel for heating and off grid power generation; and
3. Metered electricity consumption (for grid connected locations).

VEHICLE FLEET BY ENGINE/FUEL TYPE AND VEHICLE CATEGORY T2

Reporting also supports the Whole of Victorian Government emissions reduction pledge. The pledge seeks to reduce greenhouse gas emissions from Victorian government operations. As a newly established organisation, ARV is not able to include data for the two previous years but will be collating and reporting this data going forward.

OFFICE ACCOMMODATION

National Australian Built Environment Rating System (NABERS) Energy ratings of newly completed/occupied entity-owned office buildings and substantial tenancy fit-outs.

There were no newly completed or occupied entity-owned office buildings or substantial tenancy fit-outs in the reporting period.

Table 02: Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category (Number and percentage)

Vehicle type	Number	% of Vehicle type
Passenger	45	29%
– Hybrid	1	1%
– ULP	3	2%
– Diesel	41	27%
Plant	33	21%
– ULP	10	6%
– Diesel	23	15%
Oversnow	54	35%
– ULP	40	26%
– Diesel	14	9%
Bus	11	7%
– ULP	2	1%
– Diesel	9	6%
Truck	11	7%
– Diesel	11	7%
Total vehicles	154	100%

Objective 2

Protect and enhance the mountain environment and adapt to climate change

KEY PERFORMANCE INDICATORS

Protect and enhance the mountain environment and adapt to climate change	Falls Creek	Lake Mountain	Mt Baw Baw	Mt Buller Mt Stirling	Mt Hotham
Environmental footprint - Water					
> Increase total recycled water produced (ML)/visitor day	N/A	N/A	N/A	N/A	✓
> Improve statutory compliance (% of year)	✓	N/A	N/A	✓	✓
Environmental footprint - Energy					
> Reduce total electricity greenhouse emissions (CO2)/visitor day	×	×	N/A	✓	N/A
> Reduce total LPG greenhouse emissions (CO2)/visitor day	✓	✓	N/A	Data unavailable	N/A
> Reduce total diesel/petrol greenhouse emissions (CO2)/visitor day	✓	✓	N/A	Data unavailable	N/A
Environmental footprint - Waste					
> Reduce total waste to landfill (tonnes)/visitor day	✓	Data unavailable	✓	✓	×
> Increase total recyclables diverted from landfill (tonnes)/visitor day	×	N/A	N/A	×	✓
> Increase total organics diverted from landfill (tonnes)/visitor day	✓	N/A	N/A	×	✓
Biodiversity					
> No loss of threatened species in each resort	✓	✓	✓	✓	✓

Environmental Highlights



Monitoring Mountain Pygmy-possum populations at Mt Buller.

MOUNTAIN PYGMY-POSSUM RESEARCH AND MONITORING PROGRAM

Spring 2024 saw the continuation of annual Mountain Pygmy-possum research and monitoring across the resorts, with excellent numbers of both males and females in the annual survey. This ongoing success has been driven by implementation of the site-specific recovery plan for the species at Mt Buller. For several decades, there has been significant and concerted effort to improve habitat and minimise threats at all Resort sites (Mt Buller, Mt Hotham and Falls Creek) to recover and sustain populations. The Mt Buller Recovery Plan was instrumental in the significant rise in population numbers at this resort over the last 20 years. Annual conservation measures across the resorts include:

- > revegetation using food and shelter plants to improve habitat
- > habitat rehabilitation
- > pest animal and plant control and
- > population monitoring.

Long-term innovative projects implemented by the resorts have also contributed to long-term sustainability of the populations, including:

- > re-creation of boulderfield habitat and connective boulder tunnels to repair habitat fragmentation and
- > development and implementation of 10 strategic management sub-plans and revolutionary in-situ genetic rescue.

The highly successful Recovery Plan for preservation of this species at Mt Buller was reviewed and updated in 2024 to include additional targeted measures to further support the populations at Mt Hotham and Falls Creek Resorts.



Tubestock from ARV's Victorian Alpine Nursery ready for planting at Mt Buller.

VICTORIAN ALPINE NURSERY, REVEGETATING AND REHABILITATING THE ALPINE REGION

A key asset of ARV is the Victorian Alpine Nursery, which produces high quality alpine and sub-alpine plants for rehabilitation and restoration projects at all major Victorian alpine resorts, Dinner Plain, Mt Buffalo and the Alpine National Parks, as well as the Kosciuszko National Park in New South Wales.

Plants that are grown from seed are returned to their location of origin, ensuring genetic provenance is maintained. The Alpine Nursery also holds a significant and considerable seed bank of the most prevalent alpine and sub-alpine plant species, which is crucial for ongoing, long-term maintenance and conservation in the alpine region. It is especially valuable for rehabilitation following bushfires.

The Alpine Nursery also requires specialist skills and expertise to grow the alpine vegetation from seed. As this vegetation has adapted to long cold winters, a short growing season and shallow, acidic alpine soil, many alpine species are difficult to propagate and are very slow growing. The Victorian Alpine Nursery has utilised its expertise to tailor the potting mixes to specifically meet the needs of the vegetation, allowing for strong, healthy tube stock.

The Nursery sells on average 55,000 tubestock per year, with more than 405,000 plants returned to the alpine environment over the past decade.

Objective 3

Enhance the visitor experience

Providing excellent services to visitors and supporting operators is fundamental in ARV's approach to resort management, as well as a part of its mandate under the *Alpine Resorts (Management) Act 1997*. ARV is committed to supporting the resort stakeholders and partners to deliver alpine experiences that meet the needs of current visitors and emerging markets.

CHANGING OPERATIONS AT LAKE MOUNTAIN

Lake Mountain implemented significant operational changes during 2024 to work towards being financially sustainable and decrease the outstanding deficit.

Leading into winter 2024, the resort moved from a seven-day per week operation to five days, closing on Tuesdays and Wednesdays (outside school holiday periods) which were historically the quietest days in-resort. This enabled better staff allocation and a better guest experience while also being more cost-effective. The resort maintained its same share of the Victorian alpine resort visitor market despite these closures, so this operational change did not impact demand.

Another significant change in operations was the introduction of ticketed tobogganing. This revenue enabled additional investment to enhance the visitor experience, including infrastructure, signage and extra staff to better support guests.

A new cloud-based point-of-sale system, Lightspeed, was also introduced across the resort.



VISITOR SATISFACTION – POST-DEPARTURE SURVEY

ARV conducts an annual survey with people who have visited our resorts during the white season to understand their needs and so we can continue to offer a high-quality experience.

This survey captures key components of the guest journey, from planning to future intentions. The findings provide a snapshot of the visitor experience, enabling ARV to understand the resorts' strengths and weaknesses, and supports strategic planning for the future.

Falls Creek, Mt Hotham, Lake Mountain and Mt Baw Baw participate in the survey. Mt Buller and Mt Stirling undertake a separate survey in conjunction with Buller Ski Lifts, and as such Mt Buller and Mt Stirling results are captured outside of ARV's dataset.

All resort visitors that purchased a resort entry permit were sent an online survey link post-departure. In 2024, 3323 surveys were returned, with 38% of visitors from Mt Hotham and Falls Creek, 16% from Lake Mountain and 8% from Mt Baw Baw.

Results are compared year-on-year for trends in satisfaction and the findings used to inform enhancements to visitor services.

Objective 3

Enhance the visitor experience



FALLS CREEK FESTIVAL

A mainstay feature on the Falls Creek green season event calendar is FEASTIVAL Falls Creek, a three-day festival featuring 10 hours of live music, live comedy, wellbeing activities, art exhibition, arts and craft workshops and a degustation lunch at the award-winning Astra Hotel. After the event was cancelled in 2023 due to the landslide cutting off resort access, FEASTIVAL returned for a second successful year in 2024.

The event featured such icons of Australian music as Ball Park Music, Holy Holy, Thelma Plum and The Grogans. It attracted more than 1600 people who stayed in accommodation, enjoyed the hospitality of the local restaurants and took in the breathtaking views.

This event focused on driving visitation into the resort during the green season, outside of school holidays and long weekends. It required partnerships with key government stakeholders including Visit Victoria, the State Government and Tourism North East. It could not be run without the participation of business operators, not only from Falls Creek but the north-east region.

MT STIRLING

Mt Stirling enhanced its green season offering during the year with gravel trail bike riding and infrastructure installed at Telephone Box Junction. This included a water fill point, bike rack, tools and signage.

Mt Stirling's Circuit Road was subsequently listed as one of the top 10 gravel rides in north-east Victoria by Tourism North East in 2024.

The King Saddle area was re-developed by ARV staff to include a new fireplace and landscaping. This was a popular location for visitors during winter as a transport hub for visitors accessing the snowline and as a secondary tobogganing and snowplay area.

Environmental management is a key priority for Stirling staff. The Alby's Pond area was cleared of a willow tree infestation, with more than 300 trees removed. Four snow gum saplings were planted around the summit in April. These were propagated at ARV's Alpine Nursery from Stirling's iconic summit tree. The 352-hectare environmental offset site on Mt Stirling's summit was deemed compliant for the previous year by state and federal environmental authorities.

A \$7000 grant enabled a trial of additional electrical appliances to be undertaken at Telephone Box Junction. ARV has planned to remove LPG as a source of energy for the resort in 2025.

KEY PERFORMANCE INDICATORS

Enhance the visitor experience	
Visitor satisfaction with diversity of visitor experiences available in resort*	61% satisfied
Visitor satisfaction with ease of purchasing gate entry*	83% satisfied
Visitor satisfaction with public facilities for visitors (toilets, public shelters, information)	70% satisfied

* Baseline established from winter 2024

Objective 4

Implement practical policy and regulatory reform

A key part of ARV's role is leading policy and regulatory reform in line with the Minister's directions, to ensure ARV's strategic and operational activities reflect the current and future needs of the alpine sector. ARV has also assumed a lead role in addressing major challenges impacting the alpine industry, demonstrating the value of acting collaboratively across the resorts and various sectors.

RESORT STAKEHOLDER CONSULTATIVE COMMITTEES

Under the *Alpine Resorts (Management) Act 1997*, ARV is required to establish Stakeholder Consultative Committees (SCCs) for each resort. The SCCs are a valuable mechanism for engagement with resort stakeholders, enabling them to have input into decisions that impact them.

The role of each SCC is to be a conduit for information between ARV and resort stakeholders regarding the promotion, operation, management, development and use of the resort. SCCs also provide a resort perspective on strategic priorities for/of ARV.

The first two-year tenure of SCCs concluded in November 2024. Two months prior to this, ARV called for nominations for SCC membership for the 2025–26 period, with new and returning members appointed in December 2024.

A full list of SCC members can be found alpineresorts.vic.gov.au. SCCs continue to play a vital role in partnering with ARV to shape the future of the state's alpine sector.

MEDICAL SERVICES TENDER

In winter, medical centres have traditionally operated at Mt Buller, Mt Hotham and Falls Creek. These centres provide critical medical support for trauma cases, either resolving incidents in-resort or stabilising patients so they can be transported to an off-mountain hospital by Ambulance Victoria.

While ARV is not legislatively required to provide medical centre services in the resorts, it understands the importance of these operations in support of winter activities. Within this context, in 2024 ARV commissioned a service review to seek options to improve the commercial viability of these services.

Following a number of recommendations of this work, ARV went to market seeking an operator who could provide these services in all three resorts from winter 2025 onwards. This market-sounding process enabled ARV to identify service gaps that existed at some of the resorts and to explore opportunities for improved coordination and efficiencies in service delivery.

The outcome of this process will be announced in 2025.

Objective 4

Implement practical policy and regulatory reform

CONSOLIDATED EMERGENCY MANAGEMENT FRAMEWORK

ARV has significantly reformed the way it delivers on its obligations under the *Emergency Management Act 2013* (the Act). Following consultation with lead agencies, staff, community and councils, a new ARV emergency management model was endorsed by the Board for ARV.

ARV has since implemented this comprehensive model, which aligns at regional and municipal levels. This involved:

- > the formation of an ARV Municipal Emergency Management Planning Committee (MEMPC), which focusses on strategic planning and guidance, and preparation and administration of the ARV Municipal Emergency Management Plan (MEMP)²
- > implementation of five Resort Emergency Management Operational Planning Committees (Resort EMOPCs), which are responsible for the operational response at each resort through the development and implementation of the Resort Emergency Management Operational Guidelines (Resort EMOGs).

The Resort EMOGs and Resort EMOPCs are connected to the MEMPC and MEMP for collaboration, problem-solving and issue resolution.

The model sits under ARV's Emergency Management Policy and Framework, which provide structure, support and governance.

ARV also recruited an Emergency Management and Business Continuity Supervisor and appointed staff to statutory emergency management roles within each resort. These include a Municipal Emergency Management Officer (MEMO) and Municipal Recovery Manager (MRM). They will work with the resort General Managers to oversee emergency management activities in each resort.

Over the next 12 months, ARV will continue to embed the model, policy and frameworks through continual improvement, training, exercising and ongoing collaboration with agencies, partners, stakeholders and community.



KEY PERFORMANCE INDICATORS

Implement practical policy and regulatory reform

Project delivery – 100% Transition Plan projects delivered on time and within budget

75% complete

Objective 5

Enhance organisational excellence and sustainability

RISK MANAGEMENT FRAMEWORK

Operating in an alpine environment adds complexity to risk management and presents many unique challenges for ARV. ARV engaged consultants in 2024 to develop a common risk management system across the organisation that comprises a policy and framework as well as associated documents.

ARV is committed to developing, instilling and embedding a risk culture that is underpinned by accountability, awareness and attitudes while aligning with AS ISO 31000:2018 – Risk Management. ARV has worked collaboratively to develop and implement the system and processes that are used to identify and manage risks. This will protect and create value for ARV by enabling informed decision-making to reduce the likelihood and consequences of unintended harm to staff, workplace participants, stakeholders, visitors to resorts and the broader community.

As of December 2024, all aspects of the ARV Risk Management Framework were in place and compliant with the Victorian Government's Risk Management Framework (VGRMF). This includes the development and implementation of the ARV Risk Management Policy and Framework, strategic and operational risk registers, the ARV Risk Appetite Statement and completion of the Risk Maturity Assessment by the Victorian Managed Insurance Agency.

Over the next 12 months, ARV will continue to embed the Risk Management system and ensure it supports strategic and operational decisions and actions.



Objective 5

Enhance organisational excellence and sustainability

INFORMATION AND COMMUNICATIONS TECHNOLOGY

Significant progress has been made this year to standardise and consolidate information and communications technology systems across the organisation, in accordance with ARV's transition plan and directions from the Minister.

ARV has developed the *ICT Strategy 2024–2026*, which is supported by a Spatial Strategy and Records Management Framework. This sets ARV's vision and ambition for digital technology and charts the journey to realise system unification. The strategy balances implementing a modern workplace, cloud-first computing and cybersecurity objectives with maintaining the day-to-day operations and productivity of the resorts. A Technology Innovation Steering Committee was established to ensure effective oversight and corporate governance.

Key technology projects were delivered prior to the snow season, with all staff migrated to a unified ARV identity and collaboration platform. Standardised cross-resort videoconferencing and telephone systems were also introduced. All seasonal staff and volunteers were provided with email accounts and intranet access for the first time, which is an enormous benefit for internal communications, internal information security and access to digital processes.

The ICT team has also undertaken substantial work to improve the reliability of internet connectivity throughout all resorts. This was realised through leveraging fibre telecommunication networks in the northern resorts, as well as modern satellite options. ARV also delivered a standardised ARV corporate network to all work centres, ensuring network access is fast, easy, reliable and secure.

ARV is also implementing quality records management processes for physical and digital records. Significant time has been invested in reviewing physical records to identify those that need to be disposed to reduce legacy storage costs. Retention and disposal activities for onsite and offsite archive boxes is now underway, improving retrieval efficiency and reducing legacy storage costs. Tools for digital records have been implemented with the ability to digitally transfer records to the Public Records Office of Victoria (PROV) state archives now possible under its Victorian Electronic Records Strategy. This supports Victoria's "digital forever" modern recordkeeping objectives.

BUSINESS CONTINUITY

ARV has developed the Business Continuity Management System Framework and Business Continuity Policy to ensure the maintenance of core service delivery during business interruptions. There was only one disruption during the year that required immediate continuity planning at Mt Hotham. ARV Hotham enacted continuity plans for its staff when the Great Alpine Road was closed due to a sinkhole. Staff were able to work from home or the Falls Creek office, supported by integrated ICT. There was no significant disruption to services.

GEOGRAPHIC INFORMATION SYSTEMS

ARV successfully implemented the first Geographic Information System (GIS) for Victoria's alpine resorts. This system features a unified spatial database, web maps that are accessible to all staff, and in-field collection technology to support our asset and environmental teams. These components collectively enable spatially informed decision-making across all areas of the business.

Additionally, ARV's ICT team has developed strong spatial partnerships with other Victorian Government agencies. ARV's efforts in geospatial data stewardship were recognised with the VicMap Data Custodian Award at the 2024 Geospatial Excellence Awards.

GRANTS FUNDING

ARV has not provided any grants to companies or organisations as part of the Small Business Grants Program.

Objective 06

Build constructive culture and leadership capabilities

PEOPLE MATTERS SURVEY RESULTS

The 2024 People Matter Survey provided valuable insights into employee engagement, satisfaction, stress levels and areas for improvement within ARV. Achieving a 67% response rate, which was up from 53% in 2023, the survey surpassed the public sector average.

Highlights

- > **Engagement index:** increased from 66% in 2023 to 71% in 2024, indicating improved employee engagement.
- > **Dignity and respect:** 94% of employees felt treated with dignity and respect by their manager, up from 83% in 2023.
- > **Managerial honesty and integrity:** 93% perceived managerial honesty and integrity, up from 83% in 2023.
- > **Team collaboration:** collaboration outside immediate workgroups rose to 95%, indicating stronger teamwork across departments.
- > **Understanding of organisational goals:** 95% of employees understood how their work contributes to organisational goals.
- > **Respect within teams:** 92% reported respect within teams, both showing notable increases.

Areas for improvement

- > **Stress management:** despite progress, stress management remains a concern, with a slight drop in the perception of organisational involvement in stress prevention.
- > **Career advancement:** staff are keen to see greater opportunities for development, learning and promotion.

New initiatives

- > **Mental health:** Training Mental Health First Aid Officers and incorporating mental health awareness into annual training.
- > **Wellbeing program:** Developing a Wellbeing Program and Calendar and enhancing the Employee Assistance Program.
- > **Career development:** Integrating career development into performance reviews, expanding leadership programs and creating training matrixes for all roles.
- > **Secondments program:** Establishing an internal secondments program to enable staff to fill workforce gaps while developing new skills and understanding of different parts of the ARV business.

These new programs and initiatives, focused on employee engagement, stress management and career development, align with employee feedback and key organisational objectives, driving the success of the corporate plan.

The introduction of the Go1 Learning Management System has decreased the time required for compliance training and increased self-allocation of training by employees.



Objective 06

Build constructive culture and leadership capabilities

BOARD LEVEL CULTURAL TRAINING

In September, the Board participated in a significant one-day cultural training session at Falls Creek. This event marked a pivotal step in our ongoing commitment to understanding, respecting and valuing Traditional Owners.

The training was divided into three sessions:

- > Aboriginal Australia – pre-colonisation
- > Australian historical timeline and
- > Aboriginal Australia today.

Participants gained a profound understanding of Aboriginal identity, the significance of Welcome to Country ceremonies, the impacts of colonisation, the Stolen Generations and government policies. They also explored the continuing implications of these policies, the pervasive effects of intergenerational trauma, and the critical importance of fostering culturally inclusive and respectful work environments.

These insights underscore ARV's dedication to expanding cultural awareness at all levels of our organisation, reinforcing our commitment to inclusivity and respect for the diverse heritage of our communities.

ANNUAL STAFF SUMMIT

ARV staff came together in November for a two-day summit to reflect on lessons learned throughout the year and to address key priorities for 2025. More than 150 staff gathered in Bright for the event, which included a field trip to Mt Hotham.

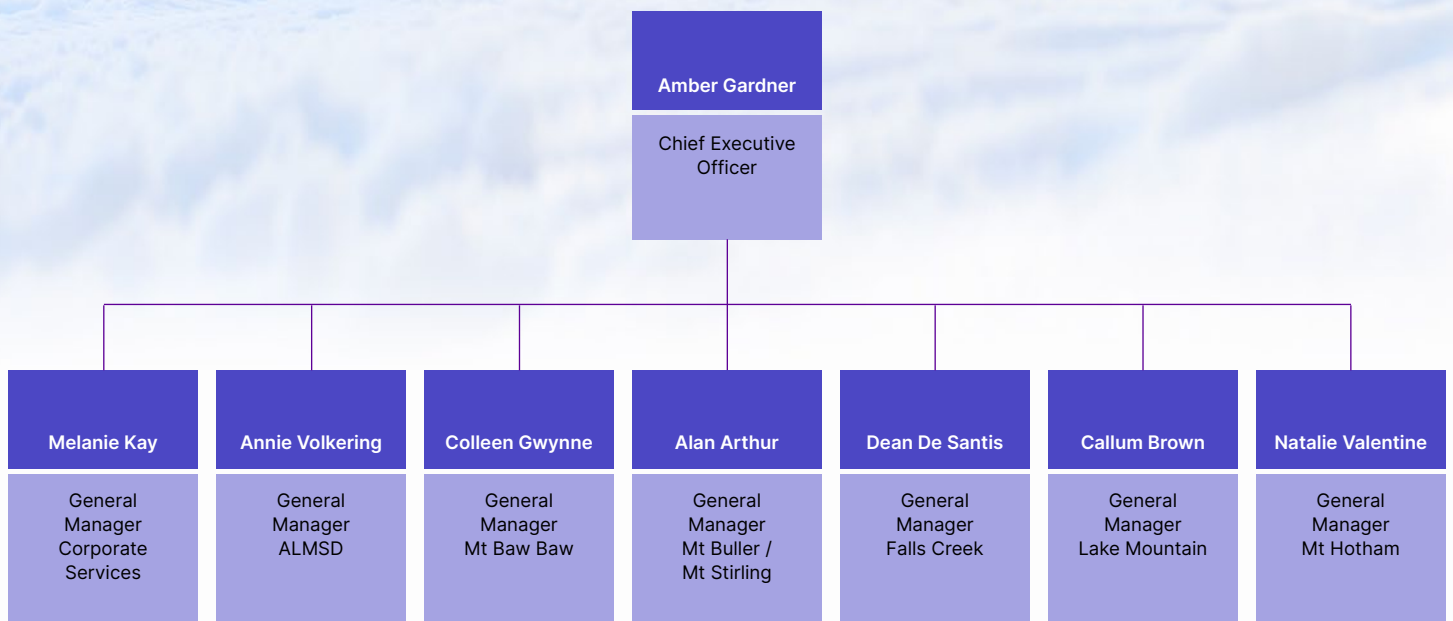
ARV updated employees on the financial operating environment, strategic priorities for the organisation and changes to ways of working, including new system upgrades and collaborative models.

Employees also had the opportunity to input ideas and suggestions for some key organisational challenges, including attracting and retaining talent, securing financial sustainability, meeting the needs of growing markets and improving resort transport and logistics.

KEY PERFORMANCE INDICATORS

Build constructive culture and leadership capabilities	
Improved employee engagement results in the People Matter Survey from 2024	5% increase
Improved employee satisfaction result in the People Matter Survey from 2024	Remained 67% (2% above comparators)
Percentage of permanent staff who have completed cultural awareness training - 70% target	Training budget was refocused to ensure compliance and accreditation training were met.

Organisational Structure



Nature and scope of ARV'S activities

The functions of Alpine Resorts Victoria are:

- (a) to manage each alpine resort in accordance with the object of the Act and alpine resorts principles
- (b) to develop the alpine resorts strategic plan
- (c) to undertake other strategic planning that Alpine Resorts Victoria considers necessary to plan for the development, promotion, management and improvement of alpine resorts in accordance with the object of this Act and the alpine resorts principles
- (d) to provide strategic tourism activities and marketing, taking into consideration the needs of each alpine resort
- (e) to expend or apply revenue of Alpine Resorts Victoria
- (f) to act as a committee of management of any Crown land as provided for in section 4
- (g) to arrange for the provision of services for each alpine resort as Alpine Resorts Victoria deems necessary, including but not limited to the following:
 - i. waste disposal, including the provision of municipal recycling services, municipal residual waste services, and municipal food organics and garden organics services, within the meaning of the *Circular Economy (Waste Reduction and Recycling) Act 2021*, in accordance with the provisions of that Act or any other Act;
 - ii. water supply
 - iii. gas
 - iv. drainage
 - v. sewerage
 - vi. electricity
 - vii. roads
 - viii. fire protection
 - ix. snowmaking
 - x. ski patrols and
 - xi. transport.
- (h) in accordance with section 13, to charge contributions for the services provided under paragraph (g)
- (i) to determine and collect fees for each alpine resort in accordance with the regulations
- (j) to attract investment for the improvement of each alpine resort
- (k) to advise the Minister on matters relating to these functions or powers or on any other matter referred to Alpine Resorts Victoria by the Minister
- (l) to liaise with and encourage the cooperation of all state and local government authorities, industries, communities and other persons involved in the development, promotion, management and use of alpine resorts
- (m) to carry out any other function conferred on Alpine Resorts Victoria by or under this or any other Act.

In relation to Mount Stirling Alpine Resort, Alpine Resorts Victoria must exercise its functions subject to the following principles:

- (a) that the resort must be planned for, developed, promoted and managed as a nature-based tourist, recreational and educational resource for all seasons of the year and
- (b) that there are not to be any ski lifts in the resort.



Governance

Governance

BOARD MEMBERS AND ATTENDANCE

ARV's management structure at the establishment of the organisation on 1 October 2022 comprised an independent nine-member, skills-based Board appointed by the Hon Lily D'Ambrosio, former Minister for Energy, Environment and Climate Action (who has since been replaced by Minister Dimopoulos).

Board members were selected based on their skills, qualifications, knowledge and experience in relation to:

- (a) alpine environments, activities and tourism
- (b) financial management, commercial acumen or economic development
- (c) natural resources management
- (d) cultural knowledge and authority arising from experience as a traditional owner of land in alpine resorts
- (e) environmental conservation and
- (f) public administration or governance.

GOVERNANCE

ARV had four subcommittees in 2024 to ensure sound governance and enable focus on the organisation's strategic priorities.

Finance, Risk and Audit Committee (FRAC)
Helen Moran (Chair)
Peter Anderson (Deputy Chair)
Julia Hunter
Ali Wastie
Kaley Nicholson

Strategic Planning, Asset Management and Commercial Operations Committee (SPAMCO)
Peter Anderson (Chair)
Michael Monester (Deputy Chair)
Helen Moran
Nadia Jaworski

First Nations / Stakeholder Engagement Committee (FNSE)
Daniel Miller (Chair)
Kaley Nicholson (Deputy Chair)
Natalie Ajay
Michael Monester

People, Culture and Workplace Matters Committee (PC&R)
Julia Hunter (Chair)
Nadia Jaworski (Deputy Chair)
Kaley Nicholson
Ali Wastie

Governance

Board meeting attendance

No	Meeting	Ali Wastie	Helen Moran	Natalie Ajay	Nadia Jaworski	Daniel Miller	Michael Monester	Peter Anderson	Julia Hunter	Kaley Nicholson
1	09 Feb 24	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	22 Mar 24	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	03 May 24	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	14 Jun 24	✓	✓	✓	✓	x	✓	✓	✓	✓
5	26 Jul 24	✓	✓	✓	✓	✓	✓	✓	x	✓
6	06 Sep 24	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	18 Oct 24	✓	✓	✓	✓	✓	✓	✓	✓	x
8	29 Nov 24	✓	✓	✓	x	✓	✓	✓	✓	✓
	Total	8	8	8	7	7	8	8	7	7

Finance, Risk and Audit Committee

Meeting	Board member				
	Helen Moran (Chair)	Peter Anderson (Deputy Chair)	Julia Hunter	Ali Wastie	Kaley Nicholson*
29 Feb 24	✓	x	✓	✓	N/A
30 May 24	✓	✓	✓	✓	N/A
22 Aug 24	✓	✓	✓	✓	N/A
24 Oct 24	✓	✓	✓	✓	✓
Total	4	3	4	4	1

* Joined Committee on 6 September 2024

People and Culture Workplace Matters Committee

Meeting	Board member			
	Julia Hunter (Chair)	Nadia Jaworski (Deputy Chair)	Ali Wastie	Kaley Nicholson
1 Feb 24	✓	✓	✓	✓
18 Apr 24	✓	✓	✓	✓
8 Aug 24	N/A	N/A	N/A	N/A
22 Oct 24	✓	✓	✓	✓
Total	3	3	3	3

Strategic Planning, Asset Management and Commercial Operations Committee

Meeting	Board member			
	Peter Anderson (Chair)	Michael Monester (Deputy Chair)	Helen Moran	Nadia Jaworski
15 Jan 24	✓	✓	✓	✓
11 Apr 24	✓	✓	✓	✓
6 Jun 24	✓	✓	✓	✓
1 Aug 24	✓	✓	✓	✓
26 Sep 24	✓	✓	✓	✓
21 Nov 24	✓	✓	✓	✓
Total	6	6	6	6

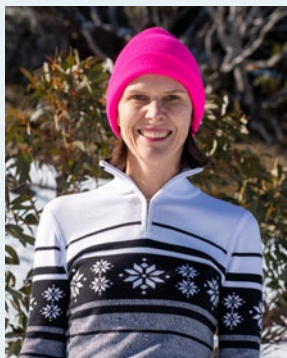
First Nations and Strategic Engagement Committee

Meeting	Board member			
	Daniel Miller (Chair)	Kaley Nicholson (Deputy Chair)	Natalie Ajay	Michael Monester
25 Jan 23	✓	✓	✓	✓
18 Apr 24	✓	✓	✓	✓
25 Jul 24	✓	✓	✓	✓
31 Oct 24	✓	✓	✓	✓
Total	4	4	4	4

Governance

ALI WASTIE

Chair



Ali has broad experience across the arts, education and public service, along with Local Government. She has held the position of Chief Executive Officer at the City of Greater Geelong since August 2023 and prior to that was Chief Executive Officer at Bass Coast Shire Council. She is an accredited executive coach, mediator and alumnus of the Australian Institute of Company Directors (AICD).

Ali holds a Master of Diplomacy and Trade, a Graduate Diploma of Secondary Education, a Bachelor of Arts and is a graduate of the AICD course. She is the current Chair of the Royal Melbourne Showgrounds Joint Venture.

She is passionate about developing high performing teams and creating a workplace culture that is innovative, empowered, strategic, trusting and fun.

HELEN MORAN

Deputy Chair



Helen has extensive experience across the tourism and alpine sector. She previously held executive roles with Merlin Entertainments Group including Director – Business Development and Skifields that encompassed Mt Hotham and Falls Creek as well as Treetop Walks in the Otway and Illawarra regions.

In her capacity as Merlin's Head of Victoria – ANZ Midway Division, Helen also was responsible for Sealife Melbourne Aquarium and was involved in the development of the Lego Discovery Centre at Chadstone. Before this, Helen was General Manager at Australian Alpine Enterprises and the Mount Hotham Skiing Company.

Helen is a graduate of AICD and has completed courses in senior executive management.

Helen has previously been a board member of Visit Victoria, Alpine Resorts Tourism, Australian Ski Areas Association and a former Chair of the Alpine Resorts Industry Advisory Group as well as a former director of the Falls Creek, Mt Buller and Mt Stirling, and Mt Hotham alpine resort management boards.

Helen is an outdoor enthusiast and is a resident of Victoria's alpine region. She is passionate about sustainable environmental practices so that future generations can enjoy the diversity that the region offers.

DANIEL MILLER



Daniel has extensive experience in state and local governments and Traditional Owner organisations of land in alpine resorts. He is currently Chief Executive Officer of the Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC), which has Registered Aboriginal Party status in Mt Hotham and Mt Baw Baw alpine resorts. He was previously General Manager – On Country and has held positions with Wellington Shire Council and with the Department of Primary Industries.

Daniel holds a Bachelor of Organisational Leadership and an Advanced Diploma of Land Management. He is also a current member of Gippsland Regional Partnership.

Daniel is a Jerringa Yuin man, a First Nations group from the south coast of New South Wales, and is passionate about the Victorian and NSW High Country. This passion comes from a lifetime of visiting, living and working across some particularly remote areas of the mountains. Daniel's current role as CEO with GLaWAC has supported him in encouraging new ways of managing Country with more opportunities for Traditional Owners and young Aboriginal people to be involved.

Governance

JULIA HUNTER



Julia has more than 20 years of experience as a leader in sustainability, governance, marketing and stakeholder engagement. She is currently the General Manager – Mobility at RACV, leading RACV's work in helping Victorians get around sustainably, safely and affordably.

Julia has previously held leadership roles across tourism, banking and retail including the Global Head of Environmental Sustainability for ANZ Banking Group, Director of Corporate Responsibility for InterContinental Hotels Group and General Manager Marketing for Aussie Farmers Direct. Julia has qualifications in Marketing, Management and Environmental Management.

Julia is a member of the AICD, has previously served as a Board Member on the Mt Hotham Alpine Resort Management Board and Alpine Resorts Co-ordinating Council and is a current Board Member for the Natural Resources Conservation Trust of Victoria where she is also the Chair of the Governance & Performance Committee. Julia is an outdoor enthusiast enjoying hiking, camping and skiing.

KALEY NICHOLSON



Kaley is a proud descendant of the Taungurung Nation, which holds Registered Aboriginal Party status in the Mt Hotham, Mt Buller, Mt Stirling and Lake Mountain alpine resorts. She is the Chair of the Taungurung Land and Waters Council, a Board Member of the Federation of Victorian Traditional Owners, and the Director of Business Development and Performance at Wanyaari Aboriginal Consultancy Services. Kaley has extensive experience in policy development and reform across the not-for-profit, private, and public sectors, working at all levels of government.

Kaley is passionate about caring for Country, entrepreneurship, employment and education, believing these pillars are key to strengthening the rights, positions and outcomes of First Nations People. She takes a consultative and culturally grounded approach to leadership, ensuring Elders are respected and elevated in decision-making, young people are empowered and have a voice, and opportunities are secured for future generations.

Kaley holds a Master of Indigenous Business Leadership from Monash University, a Bachelor of Arts (Politics and Policy, Sociology) from Deakin University, as well as a Certificate IV in Frontline Management and a Certificate III in Business.

A keen camper, Kaley cherishes opportunities to spend time in the Victorian High Country, maintaining a deep connection to the land. She is passionate about sharing culture and is dedicated to teaching others Aboriginal philosophies for connecting to the land, fostering inclusive spaces where all people can deepen their connection to Country.

NADIA JAWORSKI



Nadia has extensive experience across government social infrastructure including health, education and housing, with a focus on creating precincts and community outcomes. She is currently a Partner at Maverick Advisors, and previously was Partner, Integrated Infrastructure, at PricewaterhouseCoopers. She has also held roles in the Department of Education and Training and Department of Human Services.

Nadia holds a Master of Commerce, a Bachelor of Applied Science and a Diploma in Property Development.

Nadia is currently a non-executive director of Housing First Limited, a not-for-profit organisation offering social and affordable housing.

Nadia enjoys connecting with the outdoors and enjoys visiting Victoria's alpine region both for skiing in winter and general spring/summertime leisure activities and is passionate about her Ukrainian heritage and links to community.

Governance

MICHAEL MONESTER



Michael has extensive experience in the alpine industry holding leadership positions in alpine companies within Australia, the United States of America and Canada. He subsequently operated as an international and local resort consultant.

He is the former General Counsel for the Grollo Group, as well as Executive Director of Australian Ski Areas Association.

Michael holds a Bachelor of Law, a Bachelor of Jurisprudence and is a graduate and Fellow of the AICD.

Michael was a director of Bank First, past Chairman of the National Alpine Museum of Australia and a member of Mt Buller and Mt Stirling Alpine Resort Management Board. Michael is passionate about alpine and eco-tourism activities as a skier, patroller, mountaineer and mentor to alpine and corporate leaders.

He spends his free time reading, engaging in family activities, exploring outback Australia, skiing and hiking in alpine areas.

NATALIE AJAY



Natalie lives in North East Victoria near many of Victoria's Alpine Resorts, and has broad experience across marketing, communications, and engagement. She is a strategic consultant working across both private and public sector clients, with a range of previous executive leadership roles including Director, Communications and Engagement at GOTAFE, and Executive Officer for Winemakers of Rutherglen.

Natalie holds a Bachelor of Commerce, is a graduate of the Alpine Valleys Community Leadership Program and of the Australian Institute of Company Director's course. She is also a Board Director and the Company Secretary of Murray Regional Tourism.

Natalie is a passionate motorsport and automotive enthusiast and enjoys taking friends and family for scenic drives up to Victoria's incredible Alpine region. Natalie is also a strong advocate (and consumer) of the exceptional food and wine from Victoria's high country and has great interest in playing a role in climate and environmental management to secure the unique Alpine environment for the next generation.

PETER ANDERSON



Peter has a lifetime of experience and leadership across the transport and logistics sector. He is currently the Chief Executive Officer of the Victorian Transport Association and the Victorian Waste Management Association with previous roles in The Scott Group of Companies, Border Express and Ansett Freight Express.

Peter holds a Diploma of Financial Management, a Certificate in Supply Chain Management and is a graduate of the AICD and the Australian Institute of Superannuation Trustees.

Peter is currently the Chair of the Transport Industry Council and the Victorian Food Relief Taskforce, a director of TWUSUPER Fund and National Secretary and Treasurer of the Australian Road Transport Industrial Organisation.

Peter is passionate about ensuring that alpine communities continue to grow in their resilience, capacity, awareness and acceptance of cultural and environmental diversity. He is motivated to create a strategic, coordinated approach to resort management focused on the longer-term interests of the sector, while maintaining, leveraging and enhancing the unique characteristics of each resort for the benefit of their visitors, partners and stakeholders.

A passionate skier, keen yachtsman and golfer, he is well supported by his wife of nearly 40 years and two grown children.

Governance

ASSET MANAGEMENT ACCOUNTABILITY FRAMEWORK MATURITY ASSESSMENT

ARV is at a 'Developing' maturity state for asset management across the organisation.

A detailed Asset Management Accountability Framework Maturity Assessment (AMAF) was undertaken by ARV in October 2024 using the standard compliance tool. This highlighted considerable variability for levels of compliance across the organisation. Falls Creek had the greatest number of Complies at 19 (40%) while Mt Baw Baw and Lake Mountain Alpine Resorts were found to have the least compliance with nine (19%) rated Complies.

Generally higher levels of compliance occurred for the larger resorts, Mt Buller and Mt Stirling, Falls Creek and Mt Hotham, which was largely attributed to availability of resources to focus effort on asset management objectives.

Despite recent pandemic and natural disaster challenges, ARV has been focussing on implementing real and lasting asset management improvements to provide benefits to the organisation. The following improvement projects have been undertaken in recent times and will elevate compliance with the mandatory requirements of the AMAF as they become more fully implemented and the maturity of the application of the systems becomes embedded:

- > asset data collection and improvement projects, such as asset verification and condition projects
- > roll-out and implementation of an Asset Information Management System (AIMS), via the Maintenance Connection software platform
- > preventative maintenance program roll-out and
- > asset Management Strategy and framework development.

The assessment found there is an embedded culture that recognises the asset management objectives being the primary driver of ensuring each resort's ability to provide a unique alpine landscape experience and supporting regional communities by attracting visitors and sustaining jobs.

There is a requirement for an uplift in systems, policies and documentation to address several compliance gaps across the resorts. However ARV resorts demonstrated a shared vision and understanding of asset management principles.

What was most evident was the desire to improve the way of working across all resorts, with leadership driving asset management principles and provision of framework tools and resources for consistent application. Streamlining operations across the resorts and coordinating their response to challenges will be imperative to enabling the resorts to achieve their corporate and asset management objectives.

LOCAL JOBS FIRST ACT 2003

The *Local Jobs First Act 2003* brings together the Victorian Industry Participation Policy and Major Project Skills Guarantee Policy, which were previously administered separately.

As an Agency of the Victorian Government, ARV under the *Local Jobs Act 2003* is required to apply the Local Job First policy to all projects valued \$1 million or more. In the 12-month reporting period, there were four projects above \$1 million where the Local Job First Policy applied. The *Local Jobs First Act 2003* leverages purchasing power to help develop local industries, create jobs and boost economic activity across Victoria.

SOCIAL PROCUREMENT FRAMEWORK

ARV remains committed to supporting the Victorian Government's Social Procurement Framework (SPF), recognising the critical role it plays in promoting social and sustainable outcomes for Victorians. In 2024, ARV integrated its Procurement Strategy and the Procurement Policy and Guidelines into the procurement process to ensure compliance and to incorporate ARV's 'priority' social and sustainable procurement objectives and outcomes into regular procurement planning for regional procurements ranging from \$1 to \$20 million.

ARV's priority social procurement objectives are:

- > opportunities for the Victorian Aboriginal sector
- > Victorian social enterprises and Aboriginal business sectors and
- > sustainable development in Victorian regions.

ARV's priority sustainable procurement objectives are:

- > environmentally sustainable outputs and
- > implementation of the Climate Change Policy.

DISCLOSURE OF PROCUREMENT COMPLAINTS

Complaints relating to ARV procurement are handled in accordance with the Victorian Government Purchasing Board (VGPB) policy requirements and in a consistent, fair and transparent manner. ARV ensures complaints are treated fairly and any investigation is undertaken by an independent party to the original tender process. The process for complaint handling is outlined in ARV's Procurement Policy and Guidelines and for external entities access to the complaint handling process is through [ARV's Procurement Page](#) on the ARV website.

In 2024 there were no reportable complaints regarding procurement.

Governance

FREEDOM OF INFORMATION ACT 1982

The *Freedom of Information Act 1982* (the Act) allows the public a right of access to documents held by ARV.

Freedom of Information (FOI) requests are made in writing describing the documents requested and including payment of the \$32.70 application fee. Further charges may be payable. FOI fees and charges are not subject to GST.

During the reporting period no FOI requests were made.

Further information regarding the operation and scope of FOI can be obtained from the Act, regulations made under the Act and www.foi.vic.gov.au.

ARV Freedom of Information Officer

Melanie Kay

General Manager, Corporate Services

Alpine Resorts Victoria

19 Highett Street

Mansfield Victoria 3722

COMPETITIVE NEUTRALITY POLICY

ARV continues to comply with the requirements of the Competitive Neutrality Policy.

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

PUBLIC INTEREST DISCLOSURE ACT 2012

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

What is a public interest disclosure?

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

How to make a public interest disclosure?

A public interest disclosure about ARV or its Board members, officers or employees can be made by contacting the Independent Broad-based Anti-Corruption Commission (IBAC) www.ibac.vic.gov.au.

ARV is not able to receive public interest disclosures.

ARV has established procedures for the protection of persons from detrimental action in reprisal for making a public interest disclosure about the organisation or its Board members, officers or employees. ARV resort procedures are available on the resort corporate websites and an ARV-wide procedure is currently being developed.

Independent Broad-based

Anti-corruption Commission Victoria

Level 1, North Tower

459 Collins Street

Melbourne Victoria 3000

GPO Box 24234

Melbourne Victoria 3001

www.ibac.vic.gov.au

1300 735 135

EMERGENCY PROCUREMENT

ARV did not undertake any emergency procurement during 2024.

Governance

FALLS CREEK CHILD CARE

Falls Creek Child Care (FCCC) is a small centre licensed to care for a maximum of 16 children at any given time, catering for children from 12 weeks to school age in a family grouping (mixed-age) setting. FCCC is accredited under the Australian Children's Education and Care Quality Authority's National Standards and Framework and underwent an Assessment and Rating Audit in 2023. This resulted in the centre receiving a rating of 'Meeting', meaning that Falls Creek Child Care "provides quality education and care in all the seven quality areas of the National Quality Standards for Early Childhood Education and Care".

In the years since 2020, the service has been impacted by a bushfire, pandemic, landslide and change of Approved Provider due to the ARV transition. Not only has the team successfully navigated each event, but they have maintained an essential service for the families and staff in the local area by providing a safe, welcoming place of community and learning.

This rating reflects the hard work of the leadership and educational teams in maintaining compliance, providing best practice care and educational opportunities, and participating in an ongoing continuous improvement process to further develop and better the service for the benefit of the children, families and the Falls Creek community.

Policy and compliance are in accordance with the following legislation:

- > *Child Wellbeing and Safety Act 2005*
- > *Children Youth and Families Act 2005*
- > *Child Wellbeing and Safety Amendment (Child Safe Standards) Act 2015*
- > *Education and Care Services National Law Act 2010.*

MAJOR CONTRACTS

ARV undertook no major contracts exceeding the disclosure threshold of \$10 million in 2024.

GOVERNMENT ADVERTISING EXPENDITURE

ARV did not undertake any government campaign advertising expenditure in the 2024 reporting period.

OTHER AVAILABLE INFORMATION

The following information is available on request, subject to the *Freedom of Information Act 1982*:

- > a statement that declarations of pecuniary interests have been duly completed by all relevant officers
- > details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- > details of publications produced by the entity about itself, and how these can be obtained
- > details of changes in prices, fees, charges, rates and levies charged by the entity
- > details of any major external reviews carried out on the entity
- > details of major research and development activities undertaken by the entity
- > details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- > details of major promotional, public relations and marketing activities undertaken by the entity
- > details of assessments and measures undertaken to improve the occupational health and safety of employees
- > a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes
- > a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved.

The contact person for information requests is:

Melanie Kay
General Manager, Corporate Services
Alpine Resorts Victoria
19 Highett Street
Mansfield Victoria 3722

ICT EXPENDITURE TYPE

For the 2024 reporting period, ARV had total ICT expenditure of \$2,108,076 with the details shown below.

	\$
Business As Usual (BAU) ICT expenditure	1,796,782
Non-Business As Usual (non-BAU) ICT expenditure	
– Operational expenditure (OPEX)	172,318
– Capital expenditure (CAPEX)	138,976
Total	2,108,076

Of the non-BAU ICT expenditure, \$152,718 is funded by external grant monies.

Governance

CONSULTANCY EXPENDITURE

Individual consultancies valued at \$10,000 or greater

During the reporting period there were 23 consultancies engaged where the total fee payable to the consultant was \$10,000 or greater. The total expenditure incurred during the period was \$1,870,146, of which \$1,215,526 was funded by government grants. Details of the individual consultancies are outlined below:

<i>Consultant</i>	<i>Purpose of consultancy</i>	<i>Total approved project fee</i> \$	<i>Expenditure for the year ended 31 Dec 2024</i> \$	<i>Future expenditure committed</i> \$
GHD Pty Ltd	Asset management strategy	795,844	540,194	188,825
Solution Minds Consulting T/A SMC	Procurement support	238,669	228,675	9446
Workforce Advantage Pty Ltd	Enterprise bargaining agreement advice	163,636	144,024	30,769
Centre for International Economics Pty Ltd	Carrying capacity analysis	282,305	133,950	88,698
Cube Group Management Consulting (Australia) Pty Ltd	Procurement framework	131,802	106,802	55,221
Nation Partners Pty Ltd	Climate change adaptation strategy	148,735	96,678	-
SGS Economics and Planning Pty Ltd	Economic significance study	81,688	81,688	-
AFS & Associates Pty Ltd	Internal audit	105,256	77,167	36,554
MC Global Solutions Pty Ltd	Data integration	70,610	66,450	51,768
On Tap Consulting Pty Ltd	Property leasing & licensing advice	20,380	56,225	1190
Wave Consulting Australia	Integrated water management planning	219,075	55,150	127,153
Ninety Mile Consulting	Service review	41,400	54,000	-
Mott MacDonald Aust Pty Ltd	Energy and performance feasibility	198,589	30,000	168,590
Us&Us Creative Pty Ltd	Visual and verbal identity	29,225	29,225	-
BIOSIS Research	Vegetation and bushfire management planning	279,554	25,566	220,393
HWL Ebsworth Lawyers	Legal advice	24,825	25,188	8604
Kennedys Australia	Legal advice	37,445	23,713	-
3 Peaks Building Permits & Consultants	Municipal building surveying	97,086	22,800	26,400
Nature Advisory Pty Ltd	Peer review services	19,894	19,894	-
Transfer Solar	Solar power generation upgrade	17,440	17,675	12,930
Whitelaw Flynn Lawyers	Legal advice	52,735	12,500	3817
Talusman Consulting	Alpine Resorts Leasing policy	19,630	12,381	3071
Yabbie Pond Pty Ltd	Water treatment and management	13,900	10,200	-

Individual consultancies valued at less than \$10,000

During the reporting period there were 43 consultancies engaged where the total fee payable to the consultant was less than \$10,000. The total expenditure incurred during the period was \$139,860.

Governance

DATAVIC ACCESS POLICY

Consistent with the Victorian Government's *DataVic Access Policy (2012)*, ARV made nine data sets available on the DataVic website in 2023–24.

Information included in this Annual Report will also be made available at <http://www.data.vic.gov.au/> in electronic readable format.

Since the policy was introduced, ARV has made available to the public:

- > visitation statistics and
- > snow depth data.

ARV publishes datasets under the DataVic Access Policy to enable public access to government data to support research and education, promote innovation, support improvements in productivity, stimulate growth in the Victorian economy and support evidence-based decision-making in the public sector.

PRIVACY AND DATA PROTECTION ACT 2014

The *Privacy and Data Protection Act 2014* protects the privacy of personal information and data when it is handled by Victorian Public Sector (VPS) organisations, and by private or community sector organisations who are carrying out functions for or on behalf of VPS organisations.

ARV complies with the strict data and information obligations required under this Act.

EXPENDITURE ON REVIEWS AND STUDIES

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for review/study	Terms of reference/scope	Anticipated outcomes	Estimated cost for the year (excl. GST)	Final cost if completed (excl. GST)	Publicly available (Y/N) and URL
Independent Audit of the Mt Stirling Offset Site Year 4, SEBotanical August 2024.	Compliance with Offset Management Plan.	Audit the implementation and effectiveness of the OMP.	Deemed compliant	\$8370	\$8370	No
Independent Review of the HEMAMP Year 5, SEBotanical October 2024.	Compliance with condition of Planning Permit	An independent review of the HEMAMP monitoring report Impact Year 5.	Impact Year 5 ecological monitoring program completed, the hydrological and climatological monitoring partially completed.	\$6370	\$6370	No

Governance

COMPLIANCE WITH BUILDING ACT 1993

Under the *Building Act 1993* s212, ARV has a legislative obligation to administer the provisions of the Act, the *Building Regulations 2018* and the Building Code of Australia within its area of jurisdiction. These services are carried out by Three Peaks Building Permits and Consultants for Falls Creek and Mt Hotham, and BSGM Essential Safety Measures for Mt Buller, Mt Stirling, Lake Mountain and Mt Baw Baw. These companies fulfil the role of Municipal Building Surveyor and undertake legislated responsibilities on behalf of ARV.

ARV owns or controls government buildings located throughout the six resorts and in Bright, Merrijig and Mansfield. ARV is required to include a statement on its compliance with the building and maintenance provisions of the Building Act in relation to those buildings.

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

In relation to existing buildings, ARV is responsible for ensuring mandatory testing of emergency and exit lighting and lift equipment in accordance with relevant standards; monthly, quarterly and bi-annual inspection and preventive maintenance of mechanical services; and monthly and annual fire service audits.

This reporting period saw no significant changes to any ARV-owned or controlled buildings. All buildings continue to comply with the Building Act.

COMPLIANCE WITH THE DISABILITY ACT 2006

The *Disability Act 2006* reaffirms and strengthens the rights of people with a disability and recognises that this requires support across the government sector and within the community.

Alpine Resorts Victoria is working to comply with its obligations under the Disability Act to prepare a Disability Action Plan for the purpose of reducing barriers to access goods, services and facilities; reducing barriers to a person with a disability obtaining and maintaining employment; and promoting inclusion and participation in the community and achieving tangible changes in attitudes and practices that discriminate against people with a disability as outlined below.

ARV is reducing barriers to accessing goods, services and facilities through the following:

- > Alpine Gateway now has wheelchair accessible facilities at Mt Hotham and direct access to the slopes for winter sports enthusiasts with disabilities
- > the Lakeside Precinct, when developed, will include a Changing Places compliant facility for highly disabled users (a first in the alpine areas)
- > the Wire Plain Snow Play Hub at Mt Hotham will include compliant disabled access to these new facilities and
- > all areas of Lake Mountain are now fully wheelchair accessible.

ARV is reducing barriers to persons with a disability obtaining and maintaining employment:

- > Alpine Resorts Victoria values and respects its team members with disabilities, providing them with equal opportunities to succeed in their roles
- > We adapt to the changing needs and circumstances of our team members and applicants with disabilities. We offer our staff flexible work arrangements, reasonable adjustments, and learning and development opportunities and
- > Alpine Resorts Victoria fosters a culture of diversity and inclusion by applying substantive equality principles in its policies and practices for employees and candidates.

As required by the Disability Act, ARV will report annually on the implementation of its *Disability Action Plan* in its annual report.

Governance

OCCUPATIONAL HEALTH AND SAFETY

Over the past year, the Occupational Health and Safety (OHS) function has made significant strides in creating consistency and clarity across all locations through the development and implementation of a standardised set of safety guidelines. This consistent framework ensures that all ARV sites are aligned in their approach to safety, reinforcing our commitment to providing a safe and healthy workplace for all employees. The rollout of these streamlined expectations and procedures in 2025, will continue to strengthen our safety culture and empower leaders and teams to better understand and meet their responsibilities.

Another key development this year has been the consultation and development of a unified Incident Management System (IMS), which will bring all ARV sites and teams onto a single platform for reporting and managing incidents and hazards. A key issue that has challenged the OHS analytics since the amalgamation in October 2022, has been the accessibility and accuracy of data. While implementation is still underway for the new unified IMS, we are already seeing the benefits of a more cohesive system. In 2025, the IMS will support improved data accuracy, visibility of trends, and a clearer understanding of common safety themes across ARV. These insights will enable the OHS team to better prioritise training, tailor initiatives to emerging risks, and take a more proactive, data-informed approach to health and safety.

Reported Hazards

Year	2023	2024
Total incidents reported	63	121
Rate per 100 FTE		77

Since the introduction of consistent safety guidelines and increased education across all locations, we've seen a notable rise in hazard reporting. This positive trend reflects a growing safety awareness and a stronger reporting culture among staff. The amalgamation of ARV and centralised management of OHS has helped normalise and encourage proactive identification of hazards, allowing the OHS team to address risks earlier and contribute to a safer working environment across ARV.

Incidents

Year	2023	2024
Total incidents reported	152	134
Rate per 100 FTE	42	86

Incident reporting has also increased from 2023 to 2024, which we view as a positive indicator of an improving safety culture. As staff become more familiar with consistent processes and feel more confident in reporting, we expect this trend to continue in the coming years. Greater visibility of incidents—particularly lower-level and near-miss events—provides the OHS team with valuable data to identify patterns, mitigate risks early, and continuously improve safety practices across all sites.

Lost-Time Injuries (Standard Claims)

Year	2023	2024
Total LTIs	10	6
LTIs per 100 FTE	3	4
Psychosocial LTIs	0	1
Psychosocial LTIs/100 FTE		0.6

In 2023, Lost Time Injury (LTI) data was not consistently recorded across the organisation, limiting our ability to accurately analyse trends for the year. With the introduction of a unified reporting system and standardised processes, we are now positioned to accurately track LTIs moving forward. As data collection becomes more robust in 2024 and beyond, we will be able to establish clearer benchmarks, identify contributing factors, and implement targeted strategies to reduce the occurrence and severity of LTIs across ARV.

Governance

ARV WORKFORCE PROFILE

Our workforce is the foundation of our success, and we are committed to building an inclusive, diverse, and capable team that reflects the communities we serve. We prioritise equitable and consistent recruitment practices that ensure every role is filled based on merit, with a clear focus on aligning skills and capabilities to organisational needs. By fostering a culture of inclusion and accountability, we aim to create a workplace where everyone feels valued, supported, and empowered to contribute. Our people strategy is underpinned by fair processes and continuous improvement to attract, retain, and grow the talent we need now and into the future.

	2023	2024
Employees (total)	438	334
Male	222	178
Female	204	152
Self Described	12	5
Headcount		
Full-time and part-time	161	172
Male	74	83
Female	79	87
Self-described	8	2
Casual (total)	277	164
Male	148	95
Female	125	65
Self-described	4	3
Full-time Equivalents (total)	356.49	256.60
Male	181.78	138.57
Female	164.01	114.92
Self Described	10.70	3.12
Disability (self-identified)	2	15
Over 70 years old	4	7
Under 20 years old	13	16
Executive (total)	8	8
Male	4	3
Female	4	5

Governance

EMPLOYMENT AND CONDUCT PRINCIPLES

Alpine Resorts Victoria is committed to applying merit and equity principles when appointing staff. Processes ensure applicants are assessed and evaluated fairly and equitably on the basis of key selection criteria and other accountabilities without discrimination.

Employees have been correctly classified in workforce data collections.

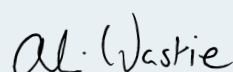
OTHER RELEVANT INFORMATION

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

- > statement declaring pecuniary interests completed by all relevant officers
- > details of publications produced and where available
- > details of changes in prices, fees, charges, rates and levies
- > details of any major external reviews
- > details of major research and development activities
- > details of major promotional public relations and marketing activities
- > details of assessments and measures undertaken to improve occupational health and safety of employees
- > general statement on industrial relations and details of time lost through industrial accidents and disputes
- > major committees sponsored, purposes of committees and achievements and
- > details of all consultancies and contractors, including consultants/contractors engaged, services provided, and expenditure committed for each engagement.

FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION STATEMENT

I, Ali Wastie, on behalf of the Responsible Body certify that Alpine Resorts Victoria has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Ali Wastie
Chair

Melbourne
1 December 2025

Governance

OTHER KEY LEGISLATION GOVERNING ALPINE RESORTS VICTORIA

- > *Aboriginal Heritage Act 2006*
- > *Aboriginal & Torres Straits Islander Heritage Protection Act 1984 (Cth)*
- > *Age Discrimination Act 2004 (Cth)*
- > *Audit Act 1994*
- > *Australian Human Rights Commission Act 1986 (Cth)*
- > *Building Act 1993*
- > *Catchment and Land Protection Act 1994*
- > *Victorian Charter of Human Rights & Responsibilities Act 2006*
- > *Child Wellbeing and Safety Act 2005*
- > *Children Youth and Families Act 2005*
- > *Circular Economy (Waste Reduction and Recycling) Act 2021*
- > *Climate Change Act 2017*
- > *Country Fire Authority Act 1958*
- > *Crown Land (Reserves) Act 1978*
- > *Disability Act 2006*
- > *Disability Discrimination Act 1992 (Cth)*
- > *Education and Care Services National Law Act 2010*
- > *Environment Protection & Biodiversity Conservation Act 1999 (Cth)*
- > *Environment Protection Act 2017*
- > *Environment Effects Act 1978*
- > *Emergency Management Act 1986*
- > *Emergency Management Act 2013*
- > *Equal Opportunity Act 2010*
- > *Fair Work Act 2009*
- > *Filming Approval Act 2014*
- > *Financial Management Act 1994*
- > *Flora and Fauna Guarantee Act 1988*
- > *Forests Act 1958*
- > *Freedom of Information Act 1982*
- > *National Parks Act 1975*
- > *Occupational Health & Safety Act 2004*
- > *Planning and Environment Act 1987*
- > *Public Administration Act 2004*
- > *Public Interest Disclosure Act 2012*
- > *Privacy Act 1988 (Cth)*
- > *Privacy and Data Protection Act 2014*
- > *Public Records Act 1973*
- > *Racial and Religious Tolerance Act 2001*
- > *Racial Discrimination Act 1975 (Cth)*
- > *Road Management Act 2004*
- > *Sex Discrimination Act 1984 (Cth)*
- > *Surveillance Devices Act (1999)*
- > *Traditional Owner Settlement Act 2010*
- > *Workplace Gender Equality Act 2012 (Cth)*
- > *Workplace Injury Rehabilitation and Compensation Act 2013*



Financial Report

For the 12-month period ended
31 December 2024

How this report is structured

Alpine Resorts Victoria (ARV) has presented its audited general purpose financial statements for the 12-month period ended 31 December 2024 in the following structure to provide users with the information about Alpine Resort Victoria's stewardship of resources entrusted to it.

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Chair's, Accountable Officer's and Chief Financial Officer's declaration

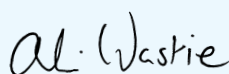
The attached financial statements for Alpine Resorts Victoria have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, statement of cash flows and accompanying notes, presents fairly the financial transactions during the financial year ended 31 December 2024 and financial position of Alpine Resorts Victoria at 31 December 2024.

When comparing balances between 2023 and 2024, note that 2023 numbers were compiled from the first operating period of ARV and spanned a 15 month period from 1 October 2022 to 31 December 2023.

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

In accordance with the resolution of the Board we authorise the attached annual financial statements for issue on 1 December 2025.



Ali Wastie

Chair

Melbourne
1 December 2025



Amber Gardner

Chief Executive Officer

Mansfield
1 December 2025



Mandy Kynnersley

Chief Financial Officer

Mansfield
1 December 2025

Independent Auditor's Report



Independent Auditor's Report

To the Board of Alpine Resorts Victoria

Opinion	<p>I have audited the financial report of Alpine Resorts Victoria which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 31 December 2024• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including significant accounting policies• chair's, chief executive officer's and chief financial officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of Alpine Resorts Victoria as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of Alpine Resorts Victoria in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of Alpine Resorts Victoria is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing Alpine Resorts Victoria's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Independent Auditor's Report

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
1 December 2025



Sanchu Chummar
as delegate for the Auditor-General of Victoria

Comprehensive Operating Statement

For the year ended 31 December 2024 and 15-month period ended 31 December 2023

	Notes	2024 \$	2023 \$
CONTINUING OPERATIONS			
Revenue and Income from transactions			
Site rent and service charges	2.1	25,011,589	31,796,951
Property income	2.2	2,532,287	3,034,920
Sale of goods and services	2.3	25,495,573	26,238,587
Grant funding	2.4	23,635,726	21,168,441
Other income	2.5	2,411,133	2,182,695
Total income from transactions		79,086,307	84,421,594
Expenses from transactions			
Employee benefits	3.2	25,702,189	29,191,190
External services expenses	3.3	18,089,504	20,016,365
Operating expenses	3.4	18,962,942	19,609,803
Cost of sales	3.5	1,645,503	1,719,996
Depreciation and amortisation	4.1.2	10,447,188	13,549,591
Total expenses from transactions		74,847,326	84,086,945
Net result from transactions (net operating balance)		4,238,982	334,649
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	8.2	153,718	(138,318)
Total other economic flows included in net result		153,718	(138,318)
Net result from continuing operations		4,392,700	196,332
Comprehensive result		4,392,700	196,332

The accompanying notes form part of these financial statements.

Balance sheet

As at 31 December 2024

	Notes	2024 \$	2023 \$
Financial assets			
Cash and deposits	6.3	13,394,719	20,736,216
Receivables	5.1	5,690,564	5,114,135
Accrued revenue	5.3	4,762,325	4,323,179
Total financial assets		23,847,608	30,173,530
Non-financial assets			
Inventories	5.4	498,434	599,245
Prepayments	5.5	1,448,043	1,766,881
Property, infrastructure, plant and equipment	4.1	516,023,778	513,847,234
Right of use assets	4.1.1	3,298,451	2,876,999
Intangible assets		11,730	11,730
Total non-financial assets		521,280,437	519,102,089
Total assets		545,128,045	549,275,619
Liabilities			
Payables	5.2	4,146,927	4,009,310
Borrowings	6.1	434,249	589,063
Leases	6.2	3,572,411	2,991,089
Employee-related provisions	3.2.1	2,931,280	3,251,997
Other liabilities	5.6	4,508,222	9,401,213
Deferred Capital Grant Revenue	5.7	6,687,817	10,578,508
Total liabilities		22,280,905	30,821,180
Net assets		522,847,140	518,454,439
Equity			
Accumulated surplus/(deficit)		4,392,701	196,331
Contributed capital		518,454,439	518,258,108
Asset revaluation reserve		-	-
Net worth		522,847,140	518,454,439

The accompanying notes form part of these financial statements.

Statement of cash flows

For the year ended 31 December 2024 and 15-month period ended 31 December 2023

	Notes	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from operating activities		57,738,426	67,681,292
Receipts from government entities		14,640,363	22,848,368
Receipts from insurance claims		1,000,000	-
Interest received		696,211	904,841
Net GST received		2,071,343	-
Total receipts		76,146,344	91,434,501
Payments			
Payments to suppliers and contractors		(48,851,498)	(49,743,255)
Payments to and on behalf of employees		(22,171,385)	(27,245,331)
Net GST paid		-	(2,419,126)
Total payments		(71,022,883)	(79,407,712)
Net cash flows from operating activities	6.3.1	5,123,460	12,026,789
Cash flows from investing activities			
Sale of non-financial assets		153,718	-
Purchase of non-financial assets		(12,275,841)	(24,069,227)
Net cash flows used in investing activities		(12,122,123)	(24,069,227)
Cash flows from financing activities			
Repayment of borrowings		(154,812)	(1,069,730)
Payment of lease liabilities	6.3	(188,022)	(299,027)
Net cash flows used in financing activities		(342,834)	(1,368,757)
Net increase in cash and cash equivalents		(7,341,497)	(13,411,195)
Cash and cash equivalents at beginning of financial period		20,736,216	34,147,411
Cash and cash equivalents at end of financial period	6.3	13,394,719	20,736,216

The accompanying notes form part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2024 and 15-month period ended 31 December 2023

	Accumulated surplus / (deficit) \$	Contributed capital \$	Asset revaluation reserve \$	Total \$
Balance at 1 October 2022	-	-	-	-
Net result for the 15-month period	196,331	518,258,108	-	518,454,439
Other comprehensive income	-	-	-	-
Balance at 31 December 2023	196,331	518,258,108	-	518,454,439
Net result for the 12-month period	4,392,701	-	-	4,392,701
Other comprehensive income	-	-	-	-
Balance at 31 December 2024	4,589,031	518,258,108	-	522,847,140

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2024

1.0 ABOUT THIS REPORT

Alpine Resorts Victoria (ARV) was established on 1 October 2022 pursuant to the *Alpine Resorts Legislation Amendment Act 2022* (the Act) as passed by the Victorian Parliament in March 2022, abolishing the previous Alpine Resort Management Boards. The Act outlines the functions, responsibilities and requirements of ARV.

ARV operates resorts at Mt Buller, Mt Stirling, Falls Creek, Mt Hotham, Lake Mountain and Mount Baw Baw and these financial statements cover ARV as an individual reporting entity. ARV is a public body acting on behalf of the Crown and reporting to the Department of Energy, Environment and Climate Action (DEECA or 'the Department').

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.

Its principal address is:

Alpine Resorts Victoria
19 Highett Street
Mansfield
Victoria 3722

Basis of preparation

These financial statements have been prepared for the financial period spanning from 1 January 2024 to 31 December 2024 with comparative information presented for the 15-month period from 1 October 2022 to 31 December 2023.

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

Consistent with the requirement 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 ARV.

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

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

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

Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods that are affected by the revision. Judgements and assumptions made by management in applying Australian Accounting Standards (AAS) that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgements or estimates'.

All amounts in the financial statements (including the notes) have been rounded to the nearest \$1 unless otherwise stated. Figures in the financial statements may not equate exactly due to rounding.

Notes to the Financial Statements

For the year ended 31 December 2024

Compliance information

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

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied. Accounting policies 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.

These financial statements have been prepared on a going concern basis.

Going concern

It has been determined that the going concern assumption remains to be the appropriate basis for the preparation of the 2024 financial report.

During the year ended 31 December 2024, ARV had an operating surplus of \$4,392,700 (2023: \$196,332) and generated net cash flows from operating activities of \$5,123,460 (2023: \$12,026,789). Surplus and operating cash inflow is dependent on funding received from the Victorian State Government of \$13,083,344 (2023: \$15,788,488) to support ARV to meet its operational funding requirements. This support is provided to ARV through a Letter of Comfort from the Victorian State Government which is renewed each year.

Management has prepared a cash flow forecast for the period ending 31 December 2026, which indicates that Alpine Resorts Victoria is expected to have sufficient funds to meet its expenditure commitments and pay its liabilities as and when they fall due during the forecast period. The Board has reviewed the future budgeted operating and cash flow position and determined that the going concern assumption remains appropriate for the preparation of the 2024 financial report. Key Budget assumptions and outcomes:

- > The forecast is based on the use of current cash reserves and the ongoing cash flow support from DEECA to meet ARV's current and future obligations during the off-season. A letter of financial comfort from DEECA is in place, covering the period up to 30 April 2026.

- > Future revenue from resort operations is dependent on snow fall during the snow season and may be affected by other external factors beyond management's control. Revenue projections are based on historical visitation trends, however these forecasts are subject to material uncertainty due to the unpredictability of future snow seasons.

Accordingly, the ability of ARV to continue as a going concern and discharge its liabilities in the ordinary course of business is dependent upon:

- > the continuing financial support of the Victorian State Government, and
- > ARV's ability to generate sufficient revenue from resort operations.

If ARV is unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business, and at amounts different from those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary, should ARV not continue as a going concern.

Notes to the Financial Statements

For the year ended 31 December 2024

2.0 FUNDING DELIVERY OF OUR SERVICES

Introduction

ARV's overall objective is to promote the management, development, promotion and use of Victoria's Alpine Resorts in an environmentally and financially sustainable way for alpine recreation and tourism in all seasons by persons from varied cultural and economic groups.

To enable ARV to fulfil its objective it receives income from visitor fees that is derived from a range of services provided including resort entry fees from the public visiting during the declared snow season.

ARV also receives rental income and service fees from site holders in accordance with its role as manager of Crown Land, as well as government funding in the form of an operational subsidy and other operating income.

Structure

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2.5	Other income	69

2.1 SUMMARY OF REVENUE AND INCOME THAT FUNDS DELIVERY OF SERVICES

	Notes	2024 \$	2023 \$
Site rent and service charges		25,011,589	31,796,951
Property income	2.2	2,532,287	3,034,920
Sale of goods and services	2.3	25,495,573	26,238,587
Grant funding	2.4	23,635,725	21,168,441
Other income	2.5	2,411,133	2,182,695
Summary of revenue and income that funds delivery of services		79,086,308	84,421,594

Revenue and income that fund delivery of ARV's services are accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes.

In 2024 revenue declined due to the current 12-month period being shorter than the prior 15-month period.

Site rent

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

Rental revenue from Crown leases is recognised per *AASB 15: Revenue from Contracts with Customers* on a straight-line basis over the term of the relevant lease.

Service charges

Service charges are leviable under Section 13 of the *Alpine Resorts (Management) Act 1997*. Service charge revenue is recognised in accordance with *AASB 15: Revenue from contracts with customers* with performance obligations being met over the period to which the service charge relates.

Notes to the Financial Statements

For the year ended 31 December 2024

2.2 PROPERTY INCOME

	2024	2023
	\$	\$
Utility income	1,673,258	1,840,561
Other property income	859,029	1,194,359
Total - Property Income	2,532,287	3,034,920

Utility income for the provision of LP gas is recognised as related performance obligations are met, when LP gas is provided to the end user.

Other property income includes service charge infrastructure fees, consent fees, permits and licences, and miscellaneous property rental. These revenue items are recognised when the performance obligation is satisfied, being when the goods or services have been provided.

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

2.3 SALE OF GOODS AND SERVICES

	2024	2023
	\$	\$
Resort entry fees	19,210,419	20,598,358
Accommodation	407,735	389,960
Food, beverage and merchandise sales	1,983,806	2,228,662
Equipment hire	867,172	939,306
Childcare	197,863	383,072
Recreational activities	2,123,338	1,562,335
Other miscellaneous	705,239	136,894
Total - Sale of goods and services	25,495,573	26,238,587

The sale of goods and services included in the table above are transactions that ARV has determined to be classified as revenue from contracts with customers in accordance with *AASB 15 Revenue from Contracts with Customers*.

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in the contract with the customer. ARV recognises revenue when it transfers control of a good or service to the customer, i.e. when, or as, the performance obligations for the sale of goods and services to the customer are satisfied.

Revenue from the rendering of services is recognised at a point in time when the performance obligation is satisfied when the service is completed; and over time when the customer simultaneously receives and consumes the services as it is provided in accordance with *AASB 15 Revenue from Contracts with Customers*.

Resort entry fees

Resort entry fees are levied under Section 18 of the *Alpine Resorts (Management) Regulations 2020*. Infringements are issued to visitors who do not pay their resort entry fee under the *Road Safety Act 1986* and the *Road Safety (General) Regulations 2009*.

Resort entry revenue (including from the sale of season permits) is recognised when received and when the entitlement is in the current financial period. Season permit receipts received for an entitlement to resort entry are recognised as revenue at the beginning of the snow season in the period that the permit relates. The associated performance obligations, including ensuring access to the resort, snow clearing, provision of parking and transportation, ski patrol services and on-mountain medical services during the declared snow season, are treated as satisfied at the beginning of the snow season upon opening day. Any refunds are allocated proportionately during the period.

Notes to the Financial Statements

For the year ended 31 December 2024

2.4 GRANT FUNDING

	2024	2023
	\$	\$
Income recognised as income of not-for-profit entities		
General purpose within portfolio	13,083,304	11,128,546
General purpose outside portfolio	-	355,704
Specific purpose within portfolio	3,371,594	4,281,575
Specific purpose outside portfolio	7,180,828	5,402,617
Total - Grant funding	23,635,726	21,168,441

Grants recognised under AASB 15

Where grant income arises from an agreement that is enforceable and contains sufficiently specific performance obligations, then the revenue is recognised when each performance obligation is satisfied per *AASB 15 Revenue from Contracts with Customers*. The performance obligations are varied based on the agreements. Within grant agreements, there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods, being either costs or time incurred, are deemed to be the most appropriate methods to reflect the transfer of benefit.

Cashflow funding is received from the Victorian State Government to support ARV to meet its operational funding requirements. These funds had obligations attached under a letter of comfort and have been recognised under AASB 15.

Any contributions received from the Victorian State Government that are deemed as being of the nature of owner's contributions (appropriations) are accounted for as Equity - Contributed Capital in accordance with Financial Reporting Direction (FRD) 119 Transfers through Contributed Capital.

Grants recognised under AASB 1058

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, are recognised in accordance with under *AASB 1058 Income of not-for-profit entities* when ARV has an unconditional right to receive cash, which usually coincides with receipt of cash. On initial recognition of the asset ARV recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards.

Related amounts may take the form of:

- > contributions by owners, in accordance with AASB 1004
- > revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15
- > a lease liability in accordance with AASB 16
- > a financial instrument, in accordance with AASB 9 or
- > a provision, in accordance with *AASB 137 Provisions, Contingent Liabilities and Contingent Assets*.

Income from grants to construct ARV's capital works projects are recognised progressively as the asset is constructed in accordance with AASB 1058. This aligns with ARV's obligation to construct the asset. The progressive percentage of costs incurred is used to recognise income on the basis that this most closely reflects the construction progress as costs are incurred as the works are done.

Notes to the Financial Statements

For the year ended 31 December 2024

2.5 OTHER INCOME

	2024	2023
	\$	\$
Interest income	744,849	1,181,007
Insurance claim income	1,086,815	136,600
Miscellaneous income	579,469	865,088
Total - Other Income	2,411,133	2,182,695

Interest

Interest income includes interest received on bank accounts, term deposits and other investments. Interest income is recognised using the effective interest method, which allocates the interest over the relevant period.

Miscellaneous income

Other miscellaneous income includes fuel sales, post office recharges, general recharges, fuel tax credits and other revenue.

Notes to the Financial Statements

For the year ended 31 December 2024

3.0 THE COST OF DELIVERING OUR SERVICES

Introduction

This section provides an account of the expenses incurred by ARV in delivering services and outputs. These expenses are recognised as they are incurred and reported in the financial period to which they relate. In Note 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	70
3.2	Employee benefits in the comprehensive income statement	70
3.3	External services expenses	73
3.4	Operating expenses	74
3.5	Cost of sales	75

3.1 EXPENSES INCURRED IN DELIVERY OF SERVICES

	Notes	2024 \$	2023 \$
Employee benefit expenses	3.2	25,702,189	29,191,190
External services expenses	3.3	18,089,504	20,016,365
Operating expenses	3.4	18,962,942	19,609,803
Cost of sales	3.5	1,645,503	1,719,996
Depreciation and amortisation	4.1.2	10,447,188	13,549,591
Total - Expenses incurred in delivery of services		74,847,326	84,086,945

In 2024 expenses declined due to the current 12-month period being shorter than the prior 15 month period.

3.2 EMPLOYEE BENEFITS IN THE COMPREHENSIVE OPERATING STATEMENT

	2024 \$	2023 \$
Salaries and wages, annual leave and long service leave	20,805,464	24,138,429
Other employee benefits	2,726,226	2,669,369
Defined contributions superannuation expense	2,170,499	2,383,392
Total - Employee benefits in the comprehensive operating statement	25,702,189	29,191,190

Other employee benefits include payroll tax, fringe benefits tax, workers compensation, training, staff amenities and accommodation, medical expenses, recruitment fees and pre-employment checks.

The amount recognised in the Comprehensive Operating Statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. ARV does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, the Department of Treasury and Finance (DTF) discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

Notes to the Financial Statements

For the year ended 31 December 2024

3.2.1 EMPLOYEE BENEFITS IN THE BALANCE SHEET

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

	2024	2023
	\$	\$
<i>Current provisions:</i>		
Annual leave		
Unconditional and expected to settle within 12 months	752,388	745,215
Unconditional and expected to settle after 12 months	174,697	218,129
Long service leave		
Unconditional and expected to settle within 12 months	110,142	342,410
Unconditional and expected to settle after 12 months	1,266,637	1,035,085
Provisions for on-costs		
Unconditional and expected to settle within 12 months	137,379	189,636
Unconditional and expected to settle after 12 months	244,790	158,134
Total current provisions for employee benefits	2,686,034	2,688,609
<i>Non-current provisions:</i>		
Employee benefits	209,642	494,914
On-costs	35,604	68,474
Total non-current provisions for employee benefits	245,246	563,388
Total provisions for employee benefits	2,931,280	3,251,997

Notes to the Financial Statements

For the year ended 31 December 2024

Wages and salaries, annual leave and personal leave

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

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

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

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

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

Long Service Leave

Unconditional long service leave is disclosed as a current liability, even where ARV does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current long service leave liability are measured at:

- > undiscounted value – if ARV expects to wholly settle within 12 months or
- > present value – if ARV does not expect to wholly settle within 12 months.

Conditional long service leave is disclosed as a non-current liability. There is a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL is measured at present value.

Any gain or loss following revaluation of the present value of non-current long service leave liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

ARV has used wages inflation and discount rates provided by Department of Treasury and Finance to calculate present value of long service leave liability.

Notes to the Financial Statements

For the year ended 31 December 2024

3.2.2 SUPERANNUATION CONTRIBUTIONS

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

	Paid contributions for the period		Contributions outstanding at end of period	
	2024 \$	2023 \$	2024 \$	2023 \$
<i>Defined benefits plan ^(a)</i>				
ESS Super	49,700	21,474	2,993	5,467
<i>Defined contributions plan</i>				
Australian Super	483,726	154,965	32,762	10,297
Hostplus	310,694	100,652	20,426	6,872
Aware Super	513,284	485,434	27,068	59,005
Other	973,752	1,952,509	61,189	74,935
Total - Superannuation contributions	2,331,156	2,715,034	144,438	156,576

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

The defined benefit liability is recognised in the Department of Treasury and Finance (DTF) as an administered liability. However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement.

On 1 July 2024 the Superannuation Guarantee Charge (SGC) increased from 11% to 11.5%.

3.3 EXTERNAL SERVICES EXPENSES

	2024 \$	2023 \$
Contractors	11,380,936	14,010,965
External services	4,595,401	4,257,261
Consultants	2,113,167	1,748,139
Total - External services expenses	18,089,504	20,016,365

Contractors

Contract payments relate to the costs incurred with delivering services and maintaining the infrastructure of the resorts. The costs are recognised either when the services have been received, or in the terms agreed to in the contract.

External services

External services are costs incurred with delivering services of the resorts and include snow making contributions, transport, water testing and monitoring, and waste collection and disposal fees. The costs are recognised either when the services have been received, or in the terms agreed to in the contract.

Consultants

Payments to consultants are for professional services provided to the resorts incurred in delivering services and maintaining infrastructure of the resorts. The costs are recognised either when the services have been received, or in the terms agreed to in the contract.

Notes to the Financial Statements

For the year ended 31 December 2024

3.4 OPERATING EXPENSES

Operating expenses are recognised as an expense in the reporting period in which they are incurred.

	2024	2023
	\$	\$
Utilities and fuel expenses	3,554,795	4,746,790
Repairs and maintenance	3,058,088	3,805,219
Insurance expenses	2,933,279	2,508,683
Marketing expenses	2,517,601	2,875,729
Information and Communication Technologies	2,496,567	1,503,056
Other expenses	2,444,259	1,214,733
Material expenses	1,282,356	1,538,334
Financial expenses	574,100	1,398,687
Short-term and low value lease payments	101,896	18,573
Total - Operating expenses	18,962,942	19,609,803

Utilities and fuel expenses

Utilities expenses are recognised as an expense in the reporting period in which they are incurred and represent fuel, electricity and gas consumed for the operation of the resorts.

Repairs and maintenance

Repairs and maintenance are incurred to enable the resorts to deliver services and maintain infrastructure of the resorts. The costs are recognised either when the services have been received, or in the terms agreed to in the contract.

Insurance expenses

These expenses are predominantly for insurance premiums paid.

Marketing expenses

Marketing expenses are recognised as an expense in the reporting period in which they are incurred and represent media promotion, event organisation and general advertising.

Information and Communication Technologies

These expenses include software subscriptions and licensing, IT equipment & hardware, consulting and telephone and data costs.

Other expenses

Other expenses represent property management fees, survey costs, valuation costs and property rates and taxes.

Materials expenses

These expenses are for various materials and consumables used to deliver services and maintain infrastructure of the resorts. The costs are recognised when the materials have been received.

Financial expenses

Financial expenses are recognised as an expense in the reporting period and represent costs in relation to insurance, interest expense and bank and merchant fees.

Lease payments

The following lease payments are recognised on a straight-line basis:

- > short-term leases – leases with a term less than 12 months and
- > low value leases – leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than \$10,000.

Notes to the Financial Statements

For the year ended 31 December 2024

3.5 COST OF SALES

	2024	2023
	\$	\$
Purchase of inventories	1,598,275	1,663,085
Purchase of services	47,228	56,911
Total - Cost of sales	1,645,503	1,719,996

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related income is recognised. The amount of any write down of inventories to net realisable value and all losses of inventories shall be recognised as an expense in the period the write down or loss occurs.

The amount of any reversal of any write down of inventories, arising from an increase in net realisable value, shall be recognised as a reduction in the level of inventories recognised as an expense in the period in which the reversal occurs.

Notes to the Financial Statements

For the year ended 31 December 2024

4.0 KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

Introduction

ARV controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to ARV to be utilised for delivery of those activities.

Structure

4.1 Total infrastructure, property, plant and equipment	76
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4.1 TOTAL INFRASTRUCTURE, PROPERTY, PLANT AND EQUIPMENT

	Gross Carrying Amount		Accumulated Depreciation		Net Carrying Amount	
	2024	2023	2024	2023	2024	2023
Items are at fair value	\$	\$	\$	\$	\$	\$
Land	232,986,350	232,986,350	-	-	232,986,350	232,986,350
Buildings	67,851,715	64,153,175	(7,479,571)	(5,113,033)	60,372,144	59,040,142
Infrastructure:						
Roads	105,909,369	85,729,571	(8,290,863)	(3,421,078)	97,618,506	82,308,493
Other than roads	113,795,206	120,625,704	(9,405,242)	(8,573,006)	104,389,964	112,052,698
Plant, equipment and vehicles	32,066,679	29,329,775	(20,690,382)	(18,631,215)	11,376,297	10,698,560
Assets under construction	9,280,517	16,760,991	-	-	9,280,517	16,760,991
Net carrying amount	561,889,836	549,585,566	(45,866,058)	(35,738,332)	516,023,778	513,847,234

The following tables are a sub-set of buildings, plant, equipment and vehicles by right-of-use assets.

4.1.1 TOTAL RIGHT-OF-USE ASSETS: BUILDINGS, PLANT, EQUIPMENT AND VEHICLES

2024 as at 31 December 2024	Gross Carrying Amount	Accumulated Depreciation	Net Carrying Amount
Buildings at fair value	2,888,690	(82,575)	2,806,115
Plant, equipment and vehicles	794,558	(309,569)	484,989
Office equipment	22,041	(14,694)	7,347
Net carrying amount	3,705,290	(406,839)	3,298,451

2023 as at 31 December 2023	Gross Carrying Amount	Accumulated Depreciation	Net Carrying Amount
Buildings at fair value	2,752,670	(94,120)	2,658,550
Plant, equipment and vehicles	1,093,048	(874,599)	218,449
Office equipment	87,112	(87,112)	-
Net carrying amount	3,932,830	(1,055,831)	2,876,999

Notes to the Financial Statements

For the year ended 31 December 2024

Initial recognition: Items of property, 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 cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or their estimated useful lives.

Subsequent measurement: Property, plant and equipment (PPE) as well as right-of-use assets under leases 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 on the following page by asset category.

Non-specialised land, non-specialised buildings and artworks are valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value.

Specialised land and specialised buildings: The market approach is also used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of land being valued.

Infrastructure and road infrastructure and earthworks are valued using the current replacement cost method. This cost generally represents the replacement cost of the building/component after applying depreciation rates on a useful life basis.

Plant, equipment and vehicles are valued using the historical cost method. ARV acquires these assets 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 plant and fleet managers in ARV who set relevant depreciation rates during use to reflect their lifetime utilisation.

Right-of-use asset acquired by lessees – Initial measurement

ARV recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost that comprises the initial amount of the lease liability adjusted for:

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

Right-of-use asset – Subsequent measurement

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

The right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

Refer to Note 7.3.2 for additional information on fair value determination of infrastructure, property, plant and equipment.

Upon commencement of ARV on 1 October 2022 all assets were recorded at fair value. Movements in the value of the assets have been assessed by management and determined that movements were not material (less than or equal to 10 per cent) for a full revaluation. The next revaluation for this purpose group is scheduled for 2025.

Impairment of property, plant and equipment

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

Notes to the Financial Statements

For the year ended 31 December 2024

4.1.2 DEPRECIATION AND AMORTISATION

Charge for the period	2024 \$	2023 \$
Buildings	2,359,120	3,514,009
Plant, equipment and vehicles	2,037,465	2,467,064
Infrastructure:		
Roads	2,897,105	3,131,518
Other than roads	3,153,498	4,437,001
Total - Depreciation and amortisation	10,447,188	13,549,591

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets that have finite useful lives, are depreciated. The exceptions to this rule include items under operating leases, assets held for sale, land and investment properties.

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 periods are included in the table below:

Asset	Useful Life (years)
Buildings	0–60 years
Plant, equipment and vehicles	0–80 years
Infrastructure – Roads	1–149 years
Infrastructure – Other than roads	0–100 years

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where ARV obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

Indefinite life assets: Land, earthworks, land under declared roads, and core cultural assets, which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

Notes to the Financial Statements

For the year ended 31 December 2024

4.1.3 RECONCILIATION OF MOVEMENTS IN CARRYING AMOUNT OF LAND, BUILDINGS, INFRASTRUCTURE AND PLANT, EQUIPMENT & VEHICLES

			Infrastructure		Plant, equipment and vehicles	Assets under construction	Total
	Land	Buildings	Infrastructure: Roads	Infrastructure: Other			
2024							
Assets at fair value							
Opening balance	232,986,350	59,040,142	82,308,493	112,052,698	10,698,561	16,760,991	513,847,234
Additions	-	1,409	-	232,683	18,867	13,762,484	14,015,443
Transfers	-	39,194	12,593,413	(13,368,627)	736,020	-	-
Transfer in/out of assets under construction	-	3,650,520	5,613,706	8,626,708	1,960,314	(19,851,248)	-
Write-offs	-	-	-	-	-	(1,391,710)	(1,391,710)
Depreciation	-	(2,359,121)	(2,897,105)	(3,153,498)	(2,037,465)	-	(10,447,188)
Closing balance	232,986,350	60,372,144	97,618,506	104,389,965	11,376,297	9,280,517	516,023,778
2023							
Assets at fair value							
Transfer in from previous ARMBs	232,986,350	61,669,331	85,709,322	109,130,317	8,546,035	8,413,794	506,455,150
Additions	-	188,137	18,468	34,455	1,483,563	18,965,362	20,689,985
Transfers	-	(91)	(2,593,285)	6,945,312	1,355,457	110,164	5,817,557
Transfer in/out of assets under construction	-	250,358	2,305,505	699,717	1,787,984	(10,731,296)	(5,687,731)
Disposals	-	-	-	(350,000)	(272,775)	-	(622,775)
Accumulated depreciation on disposal	-	-	-	29,898	265,360	-	295,258
Depreciation	-	(3,067,594)	(3,131,518)	(4,437,001)	(2,467,064)	2,966	(13,100,210)
Closing balance	232,986,350	59,040,142	82,308,493	112,052,698	10,698,561	16,760,991	513,847,234

Note: At commencement of ARV on 1 October 2022 all assets were recorded at fair value. The next revaluation is scheduled for 2025.

Notes to the Financial Statements

For the year ended 31 December 2024

5.0 OTHER ASSETS AND LIABILITIES

Introduction

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

Structure

5.1	Receivables	80
5.2	Payables	83
5.3	Accrued revenue	83
5.4	Inventories	83
5.5	Prepayments	84
5.6	Other liabilities	84
5.7	Deferred capital grant revenue	85

5.1 RECEIVABLES

	2024	2023
	\$	\$
<i>Contractual</i>		
Sale of goods and services	4,843,294	3,528,792
Other receivables	847,270	991,407
Allowance for impairment of contractual receivables	-	(243,551)
<i>Statutory</i>		
GST input tax credit recoverable	-	837,487
Total - Receivables	5,690,564	5,114,135
<i>Represented by:</i>		
Current receivables	5,690,564	5,114,135
Non-current receivables	-	-

Contractual receivables include debtors in relation to goods and services.

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. ARV holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

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

Notes to the Financial Statements

For the year ended 31 December 2024

Expected credit losses on contractual receivables at amortised cost.

ARV applies the AASB 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for contractual receivables.

To measure the expected credit losses, receivables have been grouped based on shared credit risk characteristics and the days past due.

The loss allowances for contractual receivables are based on assumptions about risk of default and expected loss rates. ARV uses judgement in making these assumptions and selecting the inputs to the expected credit loss calculation, based on the ARV's history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

Credit loss allowance is classified as other economic flows in the net result.

Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense.

Indicators that there is no reasonable expectation of recovery include, the failure of a debtor to engage in a repayment plan, and a failure to make receivable contractual payments greater than 120 days past due.

Subsequent recoveries of amounts previously written off are credited against the same line item.

Allowance for impairment of contractual receivables is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Bad debts are considered as written off by mutual consent.

There are no material financial assets that are individually determined to be impaired.

Statutory receivables include amounts owing from the Victorian Government and Federal Government.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments for disclosure purposes. ARV applies AASB 9 for initial measurement of the statutory receivables and, as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction cost. Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the Consolidated Fund as the commitments fall due.

Details about ARV's impairment policies, exposure to credit risk and the calculation of the loss allowance are set out in Note 7.1.2.

5.1.1 MATURITY ANALYSIS OF CONTRACTUAL RECEIVABLES ^(a)

	Carrying Amount	Nominal Amount	Past due but not impaired			
			Current	Less than 1 month	1 to 3 months	3 months to 1 year
2024						
Sale of goods & services	4,843,294	4,843,294	306,693	1,996,856	970,505	1,569,240
Other receivables	847,270	847,270	847,270	-	-	-
Total	5,690,564	5,690,564	1,153,963	1,996,856	970,505	1,569,240
2023						
Sale of goods & services	3,285,241	3,528,792	1,134,121	250,408	799,950	1,100,762
Other receivables	991,407	991,407	991,407	-	-	-
Total	4,276,648	4,520,199	2,125,528	250,408	799,950	1,100,762

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

Notes to the Financial Statements

For the year ended 31 December 2024

5.1.2 FINANCE LEASE RECEIVABLES (ARV AS A LESSOR)

Amounts due from lessees under finance leases are recorded as receivables. Finance lease receivables are initially recorded at amounts equal to the present value of the minimum lease payments receivable plus the present value of any unguaranteed residual value expected to accrue at the end of the lease term. Finance lease receipts are apportioned between periodic interest revenue and reduction of the lease receivable over the term of the lease in order to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Leasing powers are defined in Section 7 of the *Alpine Resorts (Management) Act 1997*. Lease terms of up to 99 years are permissible under this section. New leases are granted on the basis that the rental will be set at the Victorian Valuer-General's market valuation.

The following table sets out the maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

Non-cancellable operating lease receivables	2024	2023
<i>Operating leases - Crown Land</i>	\$	\$
Less than one year	9,539,258	9,281,359
One to two years	8,985,322	7,992,804
Two to three years	9,030,298	7,884,109
Three to four years	8,757,579	7,864,477
Four to five years	8,772,722	7,603,284
Longer than five years	285,850,840	277,332,981
Total undiscounted lease payments receivable	330,936,019	317,959,014

Leases as a lessor

As a lessor, ARV classifies its leases as either operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

Notes to the Financial Statements

For the year ended 31 December 2024

5.2 PAYABLES

	2024 \$	2023 \$
Contractual		
Supplies and services	1,177,811	1,108,294
Other payables	2,224,391	2,212,984
Statutory		
GST Payable	520,189	158,109
Other taxes payable	224,536	529,923
Total - Payables	4,146,926	4,009,310
Represented by:		
Current payables	4,146,926	4,009,310
Non-current payables	-	-

Contractual payables

Contractual payables are classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to ARV prior to the end of the financial period that are unpaid.

Statutory payables

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

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.

5.2.1 MATURITY ANALYSIS OF CONTRACTUAL PAYABLES ^(a)

	Carrying Amount	Nominal Amount	Maturity dates			
			Current	Less than 1 month	1 to 3 months	3 months to 1 year
2024						
Supplies and services	1,177,811	1,177,811	1,174,602	3,144	65	-
Other payables	2,224,391	2,224,391	2,224,391	-	-	-
Total	3,402,202	3,402,202	3,398,993	3,144	65	-
2023						
Supplies and services	1,108,294	1,108,294	249,554	858,740	-	-
Other payables	2,212,984	2,212,984	2,212,984	-	-	-
Total	3,321,278	3,321,278	2,462,538	858,740	-	-

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

Notes to the Financial Statements

For the year ended 31 December 2024

5.3 ACCRUED REVENUE

	2024	2023
	\$	\$
Accrued revenue	4,762,325	4,323,179
Total - Accrued revenue	4,762,325	4,323,179

Accrued revenue represents amounts that have been earned and not yet invoiced.

5.4 INVENTORIES

	2024	2023
	\$	\$
Supplies and consumables - fuel at cost	167,488	249,722
Inventories held for sale - at cost	330,946	349,523
Total - Inventories	498,434	599,245

Inventories include goods held for sale, goods intended as supplies and consumables to be used in the ordinary course of resort operations and are measured at the lower of cost and net realisable value, adjusted for any loss of service potential.

5.5 PREPAYMENTS

	2024	2023
	\$	\$
Prepayments	1,448,043	1,766,881
Total - Prepayments	1,448,043	1,766,881

Prepayments represent payments in advance of receipts of goods or services or the payments for service covering a term extending beyond that financial accounting period.

5.6 OTHER LIABILITIES

	2024	2023
	\$	\$
Unearned revenue	182,152	197,130
Contract liabilities	4,326,070	9,132,031
Other liabilities	-	72,052
Total - Other liabilities	4,508,222	9,401,213

Contract liabilities include funds received prior to ARV delivering that service, or that part of income received in one accounting period covering a term extending beyond that period, in accordance with *AASB 15 Revenue from Contracts with Customers*.

Contract liabilities consists of funding received from government for various projects. As the project is completed, the completed portion is disclosed as revenue. The amounts remaining in this account represent the unspent funding for the projects.

Unearned revenue balance relates to site rent and service charges revenue received in advance for which the related services are yet to be met. This revenue will be released to profit or loss over time as the related performance obligations are met. The balances are expected to be recognised in the 2025 year.

Notes to the Financial Statements

For the year ended 31 December 2024

5.7 DEFERRED CAPITAL GRANT REVENUE

	2024	2023
	\$	\$
Deferred capital grant revenue	6,687,817	10,578,508
Total - Deferred capital grant revenue	6,687,817	10,578,508

Deferred capital grant revenue

Deferred capital grant revenue relates to grant funds received for the construction of non-financial assets for which obligations under the transfer are yet to be satisfied. Grant funding is received as contract milestones are met in line with the underlying grant agreements, whereas revenue is recognised over time on a stage of completion basis. Accordingly, this balance represents the amount of capital grant funding received in excess of the percentage completion of the individual capital projects.

ARV applies *AASB 1058 Income of Not-For-Profit Entities* to recognise these grants have been provided under enforceable agreements for the construction and/or acquisition of recognisable financial assets.

Funds received are initially recognised as a financial asset (cash) with a corresponding liability (obligation to construct the assets). Subsequently, the liability is derecognised as the performance obligation is satisfied (i.e. as the construction is completed).

Notes to the Financial Statements

For the year ended 31 December 2024

6.0 HOW WE FINANCED OUR OPERATIONS

Introduction

This section provides information on the sources of finance utilised by ARV during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities. It includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note 7.1 provides additional financial instrument disclosures.

Structure

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6.1 BORROWINGS

	2024	2023
	\$	\$
Borrowings		
Loans from TCV	434,249	589,063
Total borrowings	434,249	589,063
Total - Borrowings	434,249	589,063

'Borrowings' refer to interest bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria (TCV), lease liabilities, service concession arrangement liabilities and other interest bearing arrangements.

Borrowings are classified as financial instruments. Interest bearing liabilities are classified at amortised cost unless ARV elects to irrevocably designate them at fair value through profit or loss at initial recognition. This election depends on the nature and purpose of the interest-bearing liabilities.

6.1.1 MATURITY ANALYSIS OF BORROWINGS

	Carrying Amount	Nominal Amount	Maturity dates			
			Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years
2024						
Loans from TCV	434,249	434,249	-	40,308	124,943	268,998
Total	434,249	434,249	-	40,308	124,943	268,998
2023						
Loans from TCV	589,063	589,063	-	37,762	117,052	434,249
Total	589,063	589,063	-	37,762	117,052	434,249

Notes to the Financial Statements

For the year ended 31 December 2024

6.2 LEASES

	2024	2023
	\$	\$
Current lease liabilities ^(a)	381,310	66,733
Non-current Lease liabilities	3,191,101	2,924,356
Total - Leases	3,572,411	2,991,089

(a) Secured by the assets leased. Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

Information about leases for which ARV is a lessee is presented below.

Leases are classified as financial instruments. Interest bearing liabilities are classified at amortised cost unless ARV elects to irrevocably designate them at fair value through profit or loss at initial recognition. The election depends on the nature and purpose of the interest-bearing liabilities.

ARV's leasing activities

ARV leases a range of assets including buildings, plant, equipment and motor vehicle fleet. Except for short-term leases and leases of low-value underlying assets, which includes corporate office space and motor vehicles, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments that do not depend on an index or a rate are excluded from the initial measurement of the lease liability and asset.

ARV classifies its right-of-use assets in a consistent manner to its property, plant and equipment. Lease contracts for motor vehicle leases are typically three or four-year terms; leases for plant and other equipment are generally four or five-year terms. Lease payments for properties are renegotiated every two years to reflect market rentals.

Lease Liability – initial measurement

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

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

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

Lease Liability – subsequent measurement

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

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

Short-term leases and leases of low-value assets

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

Presentation of right-of-use assets and lease liabilities

ARV presents right-of-use assets as 'property, plant or equipment' unless they meet the definitions of investment property, in which case they are disclosed as 'investment property' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.

Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

Notes to the Financial Statements

For the year ended 31 December 2024

6.2.1 MATURITY ANALYSIS OF LEASES

	Carrying Amount	Nominal Amount	Maturity dates			
			0 to 3 months	3 months to 1 year	1 to 5 years	5+ years
2024						
Lease liabilities	3,572,411	3,572,411	-	381,310	429,790	2,761,311
Total	3,572,411	3,572,411	-	381,310	429,790	2,761,311
2023						
Lease liabilities	2,991,089	2,991,089	40,465	26,268	629,245	2,295,111
Total	2,991,089	2,991,089	40,465	26,268	629,245	2,295,111

6.2.2 INTEREST EXPENSE

	2024	2023
	\$	\$
Interest on loans	31,762	58,527
Interest on lease liabilities	110,417	47,384
Total - Interest expense	142,179	105,911

Interest expense includes costs incurred in the borrowing of funds on either a short term or long-term basis.

Interest expense is recognised in the period in which it is incurred. ARV recognises borrowing costs immediately as an expense, even where they are directly attributable to the acquisition, construction or production of a qualifying asset.

6.2.3 RIGHT-OF-USE ASSETS

Right-of-use assets are presented in Note 4.1.1.

6.2.4 AMOUNTS RECOGNISED IN THE COMPREHENSIVE OPERATING STATEMENT

Interest expense on lease liabilities recognised in the Comprehensive Operating Statement are presented at Note 6.2.2.

6.3 CASH FLOW INFORMATION AND BALANCES

Cash and Deposits

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 include bank overdrafts, which are included as current borrowings on the balance sheet, as indicated in the reconciliation below.

	2024	2023
	\$	\$
Cash and deposits disclosed in the balance sheet	13,394,719	20,736,216
Balance as per cash flow statement	13,394,719	20,736,216

Notes to the Financial Statements

For the year ended 31 December 2024

Cash outflow for Leasing

Total cash outflow for leasing for the year is \$188,022 (2023: \$299,027).

For any new contracts entered on or after 1 October 2022, the inception date of Alpine Resorts Victoria, ARV considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period in exchange for consideration'. To apply this definition ARV assesses whether the contract meets three key evaluations:

- > whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to ARV and for which the supplier does not have substantive substitution rights
- > whether ARV has the right to obtain substantially all the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and the department has the right to direct the use of the identified asset throughout the period of use and
- > whether ARV has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

6.3.1 RECONCILIATION OF NET RESULT FOR THE PERIOD TO CASH FLOW FROM OPERATING ACTIVITIES

	2024	2023
	\$	\$
Net result for the period	4,392,700	196,332
<i>Non-cash movements</i>		
Depreciation	10,447,188	13,549,591
Loss/(gain) on disposal of non-financial physical assets	(153,718)	138,318
<i>Movements in assets and liabilities</i>		
Decrease/(increase) in receivables	(576,429)	1,120,114
Decrease/(increase) in accrued revenue	(439,146)	(4,323,179)
Decrease/(increase) in inventories	100,811	(81,197)
Decrease/(increase) in prepayments	318,837	240,896
Increase/(decrease) in payables	137,617	(3,305,594)
Increase/(decrease) in unearned income	(3,890,691)	4,870,277
Increase/(decrease) in provisions	(320,717)	(450,822)
Increase/(decrease) in other liabilities	(4,892,992)	72,053
Net cash flows from operating activities	5,123,460	12,026,789

Notes to the Financial Statements

For the year ended 31 December 2024

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 COMMITMENTS PAYABLE

	Nominal amounts			Total
	Less than 1 year	1 to 5 years	More than 5 years	
2024				
Capital expenditure commitments	5,390,657	-	-	5,390,657
Other commitments payable	3,719,733	3,898,805	34,280,839	41,899,377
Total commitments (inclusive of GST)	9,110,390	3,898,805	34,280,839	47,290,034
Less GST recoverable	827,297	354,437	3,116,440	4,298,174
Total commitments (exclusive of GST)	8,283,092	3,544,368	31,164,399	42,991,860
2023				
Capital expenditure commitments	3,093,756	-	-	3,093,756
Other commitments payable	9,727,460	4,286,486	34,610,178	48,624,124
Total commitments (inclusive of GST)	12,821,216	4,286,486	34,610,178	51,717,880
Less GST recoverable	1,195,776	389,784	3,146,380	4,731,940
Total commitments (exclusive of GST)	11,625,440	3,896,702	31,463,798	46,985,940

Notes to the Financial Statements

For the year ended 31 December 2024

7.0 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction

ARV is exposed to risk from its activities and outside factors. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for ARV related mainly to fair value determination.

Structure

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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. Due to the nature of the ARV's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in *AASB 132 Financial Instruments: Presentation*.

ARV is dependent on the continued financial support of the State Government and in particular DEECA that provided essential operational funding to ARV. Additional commentary disclosed at Note 1.

Categories of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- > the assets are held by ARV to collect the contractual cash flows and
- > the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

ARV recognises the following assets in this category:

- > cash and deposits and
- > receivables (excluding statutory receivables).

Categories of financial liabilities

Financial liabilities at amortised cost

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. ARV recognises the following liabilities in this category:

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

Notes to the Financial Statements

For the year ended 31 December 2024

7.1.1 FINANCIAL INSTRUMENTS: CATEGORISATION

2024	Cash and deposits	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
Contractual financial assets				
Cash and deposits	13,394,719	-	-	13,394,719
Other current assets	-	4,762,325	-	4,762,325
<i>Receivables</i> ^(a)				
Sale of goods and services	-	4,843,294	-	4,843,294
Other receivables	-	847,270	-	847,270
Total - Contractual financial assets	13,394,719	10,452,889	-	23,847,608
Contractual financial liabilities				
<i>Payables</i>				
Supplies and services	-	-	1,177,811	1,177,811
Other payables	-	-	2,224,391	2,224,391
Deferred capital grant revenue	-	-	6,687,817	6,687,817
<i>Borrowings</i>				
Finance lease liabilities	-	-	3,572,411	3,572,411
Loans from TCV	-	-	434,249	434,249
Total - Contractual financial liabilities	-	-	14,096,679	14,096,679

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

Notes to the Financial Statements

For the year ended 31 December 2024

2023	Cash and deposits	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
Contractual financial assets				
Cash and deposits	20,736,216	-	-	20,736,216
Other current assets	-	4,323,179	-	4,323,179
Receivables^(a)				
Sale of goods and services	-	3,528,792	-	3,528,792
Other receivables	-	991,407	-	991,407
Total - Contractual financial assets	20,736,216	8,843,378	-	29,579,594
Contractual financial liabilities				
Payables				
Supplies and services	-	-	1,108,294	1,108,294
Other payables	-	-	2,212,984	2,212,984
Deferred capital grant revenue	-	-	473,959	473,959
Borrowings				
Finance lease liabilities	-	-	2,991,089	2,991,089
Loans from TCV	-	-	589,063	589,063
Total - Contractual financial liabilities	-	-	7,375,389	7,375,389

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

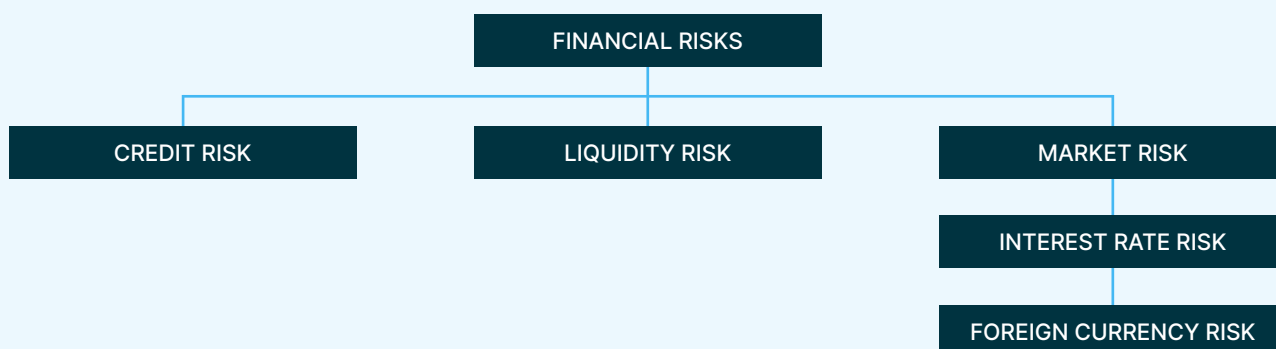
7.1.2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

ARV's financial risk management program seeks to manage the risks and associated volatility of 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 to the financial statements.

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

ARV uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility or the identification and management of financial risks rests with the Accountable Officer.



Notes to the Financial Statements

For the year ended 31 December 2024

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. ARV's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss. Credit risk is measured at fair value and is monitored on a regular basis.

Board policies are in place to ensure that sufficient communication is undertaken with site holders via various methods and communicated back to management in a timely manner and any payment plans entered are discussed with the Chief Financial Officer and Chief Executive Officer and recorded in writing. As at the reporting date, there is no event to indicate that any of the financial assets were impaired.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that ARV will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts that are more than 120 days overdue, and changes in debtor credit ratings.

Credit quality of contractual financial assets that are neither past due nor impaired ^(a)

	Financial institutions	Government agencies	Other	Total
2024				
Cash and deposits	13,394,719	-	-	13,394,719
Other current assets	-	-	4,762,325	4,762,325
Other receivables	-	-	847,270	847,270
Contractual receivables applying the simplified approach for impairment	-	-	4,843,294	4,843,294
Total financial assets	13,394,719	-	10,452,889	23,847,608
2023				
Cash and deposits	20,736,216	-	-	20,736,216
Other current assets	-	-	4,323,179	4,323,179
Other receivables	-	-	991,407	991,407
Contractual receivables applying the simplified approach for impairment	-	-	3,528,792	3,528,792
Total financial assets	20,736,216	-	8,843,378	29,579,594

(a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable).

Impairment of financial assets under AASB 9

ARV records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss (ECL) approach. Subject to AASB 9, the impairment assessment include ARV's contractual receivables, statutory receivables and its investment in debt instruments.

Contractual receivables at amortised cost

ARV applies the AASB 9 simplified approach to measuring expected credit losses that uses a lifetime expected loss allowance for contractual receivables.

To measure the expected credit losses, receivables have been grouped based on shared credit risk characteristics and the days past due.

The loss allowances for contractual receivables are based on assumptions about risk of default and expected loss rates. ARV uses judgement in making these assumptions and selecting the inputs to the expected credit loss calculation, based on the ARV's history and existing market conditions including forward-looking estimates at the end of each reporting period.

ARV has not provided for an Expected Credit Loss during the 2024 financial year.

Notes to the Financial Statements

For the year ended 31 December 2024

On this basis ARV determines the opening loss for allowance on initial application date of AASB 9 and the closing loss allowance at the end of the financial period as follows:

	Current	Less than 1 month	1 to 3 months	3 months to 1 year	Total
31 December 2024					
Expected loss rate %	0.0%	0.0%	0.0%	0.0%	0.0%
Gross carrying amount of contractual receivables	1,153,963	1,996,856	970,505	1,569,240	5,690,564
Loss allowance	-	-	-	-	-
31 December 2023					
Expected Loss Rate %	0.0%	0.0%	0.0%	18.1%	6.9%
Gross carrying amount of contractual receivables	1,134,121	250,408	799,950	1,344,314	3,528,792
Loss allowance	-	-	-	243,551	243,551

Financial instruments: Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. ARV 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.

ARV is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet. ARV 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 and
- > careful maturity planning of its financial obligations based on forecasts of future cash flows.

As indicated in Note 8.1 ARV is dependent on the Victorian Government to ensure it can meet its obligations as and when they fall due. In this respect ARV works closely with DEECA to ensure support payments are received in a timely manner for it to meet its financial obligations.

Financial instruments: Market risk

ARV's exposures to market risk are primarily through interest rate risk, foreign currency risk and equity price risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

Sensitivity disclosure analysis and assumptions

ARV'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. Sensitivity analysis shown is for illustrative purposes only.

A movement of 90 basis points up and down in market interest rates is 'reasonably possible' over the next 12 months.

The tables that follow show the impact on ARV's net result and equity for each category of financial instrument held at the end of the reporting period if the above movements were to occur.

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. ARV does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value 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. ARV has minimal exposure to cash flow interest rate risks through cash and deposits, term deposits and bank overdrafts that are at floating rate.

Notes to the Financial Statements

For the year ended 31 December 2024

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and ARV's sensitivity to interest rate risk is set out in the table that follows:

Interest rate exposure of financial instruments

2024	Weighted average	Carrying amount	Interest rate exposure		
			Fixed interest	Variable interest	Non-interest bearing
Financial assets					
Cash and deposits	4.37%	13,394,719	-	13,394,719	-
Other current assets		4,762,325	-	-	4,762,325
<i>Receivables</i> ^(a)					
Finance lease receivables		-	-	-	-
Sale of goods and services		4,843,294	-	-	4,843,294
Other receivables		847,270	-	-	847,270
Total financial assets		23,847,608	-	13,394,719	10,452,889
Financial liabilities					
<i>Payables</i> ^(a)					
Supplies and services		1,177,811	-	-	1,177,811
Other Payables		2,224,391	-	-	2,224,391
Deferred capital grant revenue		6,687,817	-	-	6,687,817
Finance lease liabilities	3.36%	3,572,411	3,572,411	-	-
Loans from TCV	6.58%	434,249	434,249	-	-
Total financial liabilities		14,096,679	4,006,660	-	10,090,019
2023					
Financial assets					
Cash and deposits	4.22%	20,736,216	-	20,736,216	-
Other current assets		4,323,179	-	-	4,323,179
<i>Receivables</i>					
Sale of goods and services		3,528,792	-	-	3,528,792
Other receivables		991,407	-	-	991,407
Total financial assets		29,579,594	-	20,736,216	8,843,378
Financial liabilities					
<i>Payables</i>					
Supplies and services		1,108,294	-	-	1,108,294
Amounts payable to government		-	-	-	-
Other payables		2,212,984	-	-	2,212,984
Deferred capital grant revenue		473,959	-	-	473,959
Finance lease liabilities	1.51%	2,991,089	2,991,089	-	-
Loans from TCV	6.58%	589,063	589,063	-	-
Total financial liabilities		7,375,389	3,580,152	-	3,795,237

(a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable).

Notes to the Financial Statements

For the year ended 31 December 2024

Interest rate risk sensitivity

	Carrying amount	-90 basis points		+90 basis points	
		Net result	Equity movement	Net result	Equity movement
2024					
Contractual financial assets					
Cash and deposits ^(a)	13,394,719	(120,552)	(120,552)	120,552	120,552
Total financial assets	13,394,719	(120,552)	(120,552)	120,552	120,552
	Carrying amount	-90 basis points		+90 basis points	
		Net result	Equity movement	Net result	Equity movement
2023					
Contractual financial assets					
Cash and deposits ^(a)	20,736,216	(51,841)	(51,841)	51,841	51,841
Total financial assets	20,736,216	(51,841)	(51,841)	51,841	51,841

(a) Cash and deposits include nil deposits that are exposed to floating rate movements.

Foreign currency risk

All foreign currency transactions during the financial period are brought to account using the exchange rate in effect at the date of the transaction. ARV is exposed to foreign currency risk mainly through its payables relating to purchases of plant, supplies and consumables from overseas. It has a limited number of transactions denominated in foreign currencies and there is a relatively short timeframe between commitment and settlement, therefore risk is minimal. Based on past and current assessment of economic outlook and by ensuring availability of funds through rigorous cash flow planning and monitoring, it is deemed unnecessary for ARV to enter any hedging arrangements to manage the risk.

7.2 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

Contingent assets and liabilities are presented inclusive of GST receivable or payable, respectively.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

As at the reporting date ARV has no contingent assets.

Contingent liabilities

Contingent liabilities are:

- > possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or
- > present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations or
 - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

As at the reporting date ARV has no contingent liabilities.

Notes to the Financial Statements

For the year ended 31 December 2024

7.3 FAIR VALUE DETERMINATION

Significant judgement: Fair value measurements of assets and liabilities

This section sets out information on how ARV determines 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
- > land, buildings, infrastructure and plant.

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

ARV 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, several 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 ARV Board determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

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 and
 - 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 period 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 to Note 7.3.1) and non-financial physical assets (refer to Note 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 instruments with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices
- > Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly and
- > Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

ARV currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts approximate to fair value, due to their short-term nature or with the expectation that they will be paid in full by the end of the 2025 reporting period.

Notes to the Financial Statements

For the year ended 31 December 2024

These financial instruments include:

Financial assets

Cash and deposits

Receivables:

- > finance lease receivables
- > sale of goods and services
- > other receivables.

Financial liabilities

Payables:

- > for supplies and services
- > amounts payable to government and agencies
- > other payables.

Borrowings

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

ARV has determined for financial assets and liabilities, the carrying amount is the same as fair value.

There have been no transfers between levels during the period.

7.3.2 FAIR VALUE DETERMINATION: NON-FINANCIAL PHYSICAL ASSETS

Fair value measurement hierarchy

2024	Carrying amount	Fair value measurement at 31 December 2024 using:		
		Level 1 ^(a)	Level 2 ^(a)	Level 3 ^(a)
<i>Land at fair value</i>				
Non-specialised land	2,382,000	-	2,382,000	-
Specialised land	230,604,350	-	-	230,604,350
Total of land at fair value	232,986,350	-	2,382,000	230,604,350
<i>Buildings at fair value</i>				
Specialised buildings	60,092,144	-	-	60,092,144
Non-specialised buildings	280,000	-	280,000	-
Total of buildings at fair value	60,372,144	-	280,000	60,092,144
<i>Plant, equipment and vehicles at fair value</i>				
Plant, equipment and vehicles	11,259,297	-	-	11,259,297
Total of plant, equipment and vehicles at fair value	11,259,297	-	-	11,259,297
<i>Infrastructure at fair value</i>				
Roads	97,618,506	-	-	97,618,506
Other than roads	104,389,965	-	-	104,389,965
Total infrastructure at fair value	202,008,471	-	-	202,008,471
<i>Artwork at fair value</i>				
Artwork	117,000	-	117,000	-
Total artwork at fair value	117,000	-	117,000	-
Total assets	506,743,262	-	2,779,000	503,964,262

(a) Classified in accordance with the fair value hierarchy.

Notes to the Financial Statements

For the year ended 31 December 2024

2023	Carrying amount	Fair value measurement at 31 December 2023 using:		
		Level 1 ^(a)	Level 2 ^(a)	Level 3 ^(a)
<i>Land at fair value</i>				
Non-specialised land	2,382,000	-	2,382,000	-
Specialised land	230,604,350	-	-	230,604,350
Total of land at fair value	232,986,350	-	2,382,000	230,604,350
<i>Buildings at fair value</i>				
Specialised buildings	58,760,142	-	-	58,760,142
Non-specialised buildings	280,000	-	280,000	-
Total of buildings at fair value	59,040,142	-	280,000	58,760,142
<i>Plant, equipment and vehicles at fair value</i>				
Plant, equipment and vehicles	10,698,560	-	-	10,698,560
Total of plant, equipment and vehicles at fair value	10,698,560	-	-	10,698,560
<i>Infrastructure at fair value</i>				
Roads				
Roads	82,308,493	-	-	82,308,493
Other than roads	111,935,698	-	-	111,935,698
Total infrastructure at fair value	194,244,191	-	-	194,244,191
Artwork	117,000	-	117,000	-
Total artwork at fair value	117,000	-	117,000	-
Total assets	497,086,243	-	2,779,000	494,307,243

(a) Classified in accordance with the fair value hierarchy.

Specialised land

Specialised land is valued using the market approach, adjusted for Community Service Obligation (CSO) to reflect the specialised nature of the land being valued.

Under the market approach to valuation, the assets are compared to recent comparable sales or sales of comparable assets, which are considered to have nominal or no added improvement value. The valuation of such assets is performed by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued.

The CSO adjustment reflects the valuer's assessment of the impact of restrictions associated with an asset to the extent that it is also equally attributable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement and takes into account the use of the asset that is physically possible, legally permissible and financially feasible.

Specialised land that is valued on lease rent with no CSO applied is categorised as level two land. Specialised land and buildings with adjustments of CSO that are considered as significant unobservable inputs, would be classified as level 3 assets.

ARV completes an annual assessment of fair value in accordance with Financial Reporting Direction 103 *Non-financial physical assets* for specialised land. Reliance is placed on land indices provided by the Valuer-General Victoria.

As a result of this assessment, the movement in fair value based on Valuer-General Victoria land value indices was less than 10% and there was no requirement to adopt a managerial valuation for 2024.

Notes to the Financial Statements

For the year ended 31 December 2024

Specialised buildings and structures

Specialised buildings are valued using the current replacement cost method, adjusting for the associated depreciation. As depreciation adjustments are observable in nature, specialised buildings are classified as Level 3 fair value measurements.

ARV completes an annual assessment of fair value in accordance with Financial Reporting Direction 103 *Non-financial physical assets*. Reliance is placed on building indices provided by the Valuer-General Victoria.

An assessment was performed in 2024, and based on this assessment it was determined the movement in fair value based on Valuer-General Victoria building indices was less than 10% and there was no requirement to adopt a managerial valuation for 2024.

Non-specialised land

Non-specialised land is valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value. The leased sites are valued using the income approach where the future income stream of land is discounted back to present value.

ARV completes an annual assessment of fair value in accordance with Financial Reporting Direction 103 *Non-financial physical assets*. Reliance is placed on land indices provided by the Valuer-General Victoria.

An assessment was performed in 2024, and based on this assessment it was determined the movement in fair value based on Valuer-General Victoria land value indices was less than 10% and there was no requirement to adopt a managerial valuation for 2024.

Plant, equipment and vehicles

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

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

Infrastructure

Infrastructure assets are valued at current replacement cost method. This cost generally represents the replacement cost of after applying depreciation rates on a useful life basis.

ARV completes an annual assessment of fair value in accordance with Financial Reporting Direction 103 *Non-financial physical assets*.

An assessment was performed in 2024, and based on this assessment it was determined the movement in fair value was less than 10% and there was no requirement to adopt a managerial valuation for 2024.

Description of significant unobservable inputs to Level 3 valuations

2024	Valuation technique	Significant unobservable inputs
Specialised land	Market approach	Community Service Obligation (CSO) adjustment
	Income approach	Discount rate and future lease payable
Specialised buildings	Current replacement cost	Replacement cost per square metre Useful life of specialised buildings
Plant and equipment	Current replacement cost	Cost per unit Useful life of plant and equipment
Infrastructure: Water and sewerage	Current replacement cost	Cost per unit Useful life of the infrastructure
Infrastructure: Road, trail and car park	Current replacement cost	Cost per unit Useful life of the infrastructure
Infrastructure: Ski lift	Current replacement cost	Cost per unit Useful life of the infrastructure

Notes to the Financial Statements

For the year ended 31 December 2024

7.3.2 RECONCILIATION OF LEVEL 3 FAIR VALUE MOVEMENTS

			Infrastructure		Plant, equipment and vehicles	Assets under construction	Total
	Land	Buildings	Infrastructure: Roads	Infrastructure: Other			
2024							
Assets at fair value							
Opening balance	232,986,350	59,040,142	82,308,493	112,052,698	10,698,561	16,760,991	513,847,234
Additions	-	1,409	-	232,683	18,867	13,762,484	14,015,443
Transfers	-	39,194	12,593,413	(13,368,627)	736,020	-	-
Transfer in/out of assets under construction	-	3,650,520	5,613,706	8,626,708	1,960,314	(19,851,248)	-
Write-offs	-	-	-	-	-	(1,391,710)	(1,391,710)
Depreciation	-	(2,359,121)	(2,897,105)	(3,153,498)	(2,037,465)	-	(10,447,188)
Closing balance	232,986,350	60,372,144	97,618,506	104,389,965	11,376,297	9,280,517	516,023,778
2023							
Assets at fair value							
Transfer in from previous ARMBs	232,986,350	61,669,331	85,709,322	109,130,317	8,546,035	8,413,794	506,455,150
Additions	-	188,137	18,468	34,455	1,483,563	18,965,362	20,689,985
Transfers	-	(91)	(2,593,285)	6,945,312	1,355,457	110,164	5,817,557
Transfer in/out of assets under construction	-	250,358	2,305,505	699,717	1,787,984	(10,731,296)	(5,687,731)
Disposals	-	-	-	(350,000)	(272,775)	-	(622,775)
Accumulated depreciation on disposal	-	-	-	29,898	265,360	-	295,258
Depreciation	-	(3,067,594)	(3,131,518)	(4,437,001)	(2,467,064)	2,966	(13,100,210)
Closing balance	232,986,350	59,040,142	82,308,493	112,052,698	10,698,561	16,760,991	513,847,234

Note: At commencement of ARV on 1 October 2022 all assets were recorded at fair value. The next revaluation is scheduled for 2025.

Notes to the Financial Statements

For the year ended 31 December 2024

8.0 OTHER DISCLOSURES

Introduction

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

Structure

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8.1 ECONOMIC DEPENDENCY

ARV rely on DEECA for funding support. Please refer to Note 1 for more detail. A letter of support is in place for ARV covering the period up to 30 April 2026.

8.2 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions.

Other economic flows	2024 \$	2023 \$
Net gain/(loss) on disposal of infrastructure, property, plant, equipment and vehicles	153,718	(138,318)
Total - Other economic flows included in net result	153,718	(138,318)

Net gain/(loss) on disposal of non-financial assets is recognised at the date of disposal and is the difference between the proceeds and the carrying value of the asset at the time.

Notes to the Financial Statements

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8.3 RESPONSIBLE PERSONS

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

Responsible Minister

The persons who held the positions of Ministers in the department responsible for ARV are as follows:

The Hon. Lily D'Ambrosio MP	
<i>Minister for Climate Action</i>	1 January 2024 to 31 December 2024
<i>Minister for Energy and Resources</i>	1 January 2024 to 31 December 2024
<i>Minister for the State Electricity Commission</i>	1 January 2024 to 31 December 2024
Steve Dimopoulos MP	
<i>Minister for Environment</i>	1 January 2024 to 31 December 2024

Board Members

Ali Wastie	<i>Chair</i>	1 January 2024 to 31 December 2024
Helen Moran	<i>Deputy Chair</i>	1 January 2024 to 31 December 2024
Daniel Miller	<i>Board member</i>	1 January 2024 to 31 December 2024
Julia Hunter	<i>Board member</i>	1 January 2024 to 31 December 2024
Kaley Nicholson	<i>Board member</i>	1 January 2024 to 31 December 2024
Michael Monester	<i>Board member</i>	1 January 2024 to 31 December 2024
Nadia Jaworski	<i>Board member</i>	1 January 2024 to 31 December 2024
Natalie Ajay	<i>Board member</i>	1 January 2024 to 31 December 2024
Peter Anderson	<i>Board member</i>	1 January 2024 to 31 December 2024

Accountable Officer

Amber Gardner	<i>Chief Executive Officer</i>	1 January 2024 to 31 December 2024
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Remuneration

Remuneration received or receivable by the responsible persons in connection with the management of ARV during the reporting period are shown in the table below:

Remuneration received or receivable by the Accountable Officers in connection with the management of ARV during the reporting period are shown in the table below:

Total remuneration has declined due to the current 12-month period being shorter than the prior 15-month period.

Remuneration of responsible persons	Number	
	2024	2023
\$20,000 - \$29,999	8	8
\$40,000 - \$49,999	1	1
\$390,000 - \$399,999	1	1
Total number	10	10
Total remuneration	\$674,539	\$823,782

Notes to the Financial Statements

For the year ended 31 December 2024

8.4 REMUNERATION OF EXECUTIVES

The number of executive officers, other than Ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below.

Total annualised employee equivalents provide a measure of full-time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (as defined in *AASB 119 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. Accordingly, remuneration is determined on an accrual basis, and is disclosed in the following categories.

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

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefits or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

Remuneration of executives ^(a)	2024	2023
Short-term benefits	\$1,116,876	\$1,080,905
Post-employment benefits	\$116,730	\$147,114
Other long-term benefits	\$22,330	\$33,081
Termination benefits	\$89,345	\$283,481
Total remuneration ^(a)	\$1,345,281	\$1,544,581
Total number of executives ^(b)	8	6
Total annualised employee equivalents ^(c)	5	6

(a) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under *AASB 124 Related Party Disclosures* and are also reported within the related parties note disclosure (Note 8.6).

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

(c) Annualised employee equivalent include Acting General Managers at two resorts for a period that had no substantive KMP in the role at the time.

Notes to the Financial Statements

For the year ended 31 December 2024

8.5 RELATED PARTIES

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

Related parties of ARV include:

- > all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over)
- > all Cabinet Ministers and their close family members 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 on an arm's length basis.

Significant transactions with Government-related entities

During the financial period ARV had the following government-related entity transactions:

- > \$13,083,304 was invoiced to Department of Energy, Environment and Climate Action for grant funding and Letter of Comfort support. (2023: \$15,788,478)
- > \$3,011,250 was invoiced to Department of Jobs, Skills, Industry and Regions for grant funding and \$1,361,769 was paid back for return of unspent funding. (2023: \$1,911,642)
- > \$110,000 was invoiced to Department of Justice and Community Safety for grant funding. (2023: \$990,243)
- > \$203,000 was invoiced to Alpine Shire for Dinner Plain bus services. (2023: nil)
- > \$38,782 was invoiced to Department of Transport and Planning for site rent & \$190,914 was invoiced from Department of Transport and Planning for property valuation fees. (2023: \$9,745)
- > \$118,508 was invoiced to Indigo Shire Council for site rent (2023: \$5,442) & \$683,617 was invoiced from Indigo Shire Council for gas consumption fees.
- > \$826,989 was invoiced from Goulburn Valley Water for the provision of water treatment services. (2023: \$844,649)
- > \$109,281 was invoiced from Benalla Rural City Council for landfill tip fees. (2023: nil)
- > \$1,000,000 was received from Victorian Managed Insurance Authority for insurance claims predominantly earthquake damage at Mt Buller. (2023: \$3,417,526)

Key management personnel (KMP) for the Alpine Resort Victoria Board includes the Portfolio Minister, members of the Board and the Chief Executive Officer. They are:

The Hon. Lily D'Ambrosio MP	<i>Minister for Energy</i> <i>Minister for Environment and Climate Action</i> <i>Minister for State Electricity Commission</i>
The Hon. Steve Dimopoulos MP	<i>Minister for Environment</i>
Ali Wastie	<i>Chair</i>
Helen Moran	<i>Deputy Chair</i>
Daniel Miller	<i>Board member</i>
Julia Hunter	<i>Board member</i>
Kaley Nicholson	<i>Board member</i>
Michael Monester	<i>Board member</i>
Nadia Jaworski	<i>Board member</i>
Natalie Ajay	<i>Board member</i>
Peter Anderson	<i>Board member</i>
Amber Gardner	<i>Chief Executive Officer</i>

Notes to the Financial Statements

For the year ended 31 December 2024

Remuneration of key management personnel

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* and is reported within the Department of Parliamentary Services' Financial Report.

Total remuneration has declined due to the current 12-month period being shorter than the prior 15-month period.

Compensation of KMP ^(a)	2024	2023
Short-term benefits	\$598,876	\$724,193
Post-employment benefits	\$60,692	\$76,958
Other long-term benefits	\$14,972	\$22,631
Total remuneration	\$674,539	\$823,782
Total number of KMP	10	10

(a) Note that KMPs are also reported in the disclosure of remuneration of executive officers (Note 8.4).

Transactions with key management personnel and other related parties

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

All payments made or received between ARV and other government entities are on an arm's length basis and at normal commercial terms.

No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

All other transactions that have occurred with KMP and their related parties have not been considered material for disclosure. In this context, transactions are only disclosed when they are considered necessary to draw attention to the possibility that the ARV's financial position and profit or loss may have been affected by the existence of related parties, and by transactions and outstanding balances, including commitments, with such parties.

8.6 REMUNERATION OF AUDITORS

Remuneration of auditors	2024 \$	2023 \$
Audit of the financial statements	185,000	198,500
Audit of the financial statements: overruns	15,000	25,000
Internal and other audit services	89,665	37,819
Total - Remuneration of auditors	289,665	261,319

8.7 SUBSEQUENT EVENTS

The policy in connection with recognising subsequent events is that events that occur between the end of the reporting period and the date when the financial statements are authorised for issue is as follows:

- > adjustments are made to amounts recognised in the financial statements where those events provide information about conditions that existed at the reporting date and/or
- > disclosure is made where the events relate to conditions that arose after the end of the reporting period that are considered to be of material interest.

There are no subsequent events of a material interest to disclose at this note.

Notes to the Financial Statements

For the year ended 31 December 2024

8.8 AUSTRALIAN ACCOUNTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on:	Impact on public sector entity financial statements
FRD 101 <i>Application of Tiers of Australian Accounting Standards</i>	This Financial Reporting Direction (FRD) prescribes two tiers of reporting requirements for general purpose financial statements in accordance with <i>AASB 1053 Application of Tiers of Australian Accounting Standards</i> . Tier 1 entities prepare reports according to Australian Accounting Standards and Tier 2 prepare reports Australian Accounting Standards - Simplified Disclosures. Tier 2 Financial statements comply with all recognition and measurement requirements, however benefit from a reduced level of disclosure. DTF will determine the tiers of reporting requirements for Victorian Public sector entities.	1 July 2024 for Victorian public sector entities	Based on the entity's assessment, it is expected we will be able to adopt Simplified Disclosures. We will need to wait for DTF confirmation before adopting.
AASB 2024-2 <i>Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments</i>	This amending standard amends AASB 9 Financial Instruments and AASB 7 Financial Instruments: Disclosures to clarify how the contractual cash flows from financial assets should be assessed when determining their classification. The amendment also clarifies the derecognition requirements of financial liabilities that are settled through electronic payment systems.	1 January 2026	When the amendment is first adopted for the year ending 31 December 2026, there will be no material impact on the financial statements.
AASB 18 <i>Presentation and disclosure in financial statements</i>	AASB 18 replaces AASB 101 as the standard describing the primary financial statements and sets out requirements for the presentation and disclosure of information in AASB-compliant financial statements. Among other changes, it introduces the concept of the "management-defined performance measure" to financial statements and requires the classification of transactions presented within the statement of profit or loss within one of five categories – operating, investing, financing, income taxes, and discontinued operations. It also provides enhanced requirements for the aggregation and disaggregation of information.	1 January 2028 for public sector entities	Based on the entity's assessment, it is expected that the first-time adoption of these amendments for the year ending 31 December 2028 will have a material impact on the financial statements, in particular requiring the presentation of the statement of comprehensive income to be amended such that transactions are classified as one of five categories – operating, investing, financing, income taxes, and discontinued operations. Certain management defined performance measures utilised in communications with stakeholders by management will also require presentation and additional disclosure in the financial statements.

Notes to the Financial Statements

For the year ended 31 December 2024

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited impact on the ARV's reporting.

- > *AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- > *AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability*
- > *IFRS 19 - Subsidiaries without Public Accountability: Disclosures*
- > *AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector*
- > *AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non Financial Assets of Not-for-Profit Public Sector Entities*
- > *AASB 17 Insurance Contracts AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector*

8.9 GLOSSARY OF TECHNICAL TERMS

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

Amortisation is the expense that results from the consumption, extraction or use over time of a non-produced physical or intangible asset. This expense is classified as an 'other economic flow'.

Borrowings refers to interest-bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria, lease liabilities, service concession arrangements and other interest-bearing arrangements. Borrowings also include non interest-bearing advances from government that are acquired for policy purposes.

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.

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

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.

Finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

Notes to the Financial Statements

For the year ended 31 December 2024

Financial asset is any asset that is:

- (a) cash
- (b) an equity instrument of another entity
- (c) 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
- (d) 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) 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
- (b) 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.

Notes to the Financial Statements

For the year ended 31 December 2024

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.

General government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those that are mainly non-market in nature, those that are largely for collective consumption by the community and those that involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

Infrastructure systems provide essential services used in the delivery of final services or products. They are generally a complex interconnected network of individual assets and mainly include sewerage systems, water storage and supply systems, and public transport assets owned by the State.

Interest expense represents costs incurred in connection with borrowings. It includes interest on advances, loans, overdrafts, bonds and bills, deposits, interest components of lease repayments, service concession financial liabilities 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 conveyed in a contract, or part of a contract, the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

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.

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 that are classified as 'other non-owner movements in equity'. Refer also to 'net result'.

Notes to the Financial Statements

For the year ended 31 December 2024

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.

Other economic flows – other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards. They include changes in physical asset revaluation surplus; share of net movement in revaluation surplus of associates and joint ventures; and gains and losses on remeasuring available-for-sale financial assets.

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.

Right-of-use asset is an asset that represents a lessee's right to use an underlying asset for the lease term.

Sales of goods and services refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services income.

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

Transactions are those economic flows that are considered to arise because 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 depreciating 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.

8.10 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:

- Zero or rounded to zero
- (xxx) Negative numbers
- 202x Year period



Appendix

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