

Burrumbeep Ski Club – Mount Hotham

Presidents Report – 2014 AGM

Dear Members,

I am pleased to present my report as President of Burrumbeep Ski Club covering the 2013 – 2014 financial year.

Although the 2013 snow season at Mt Hotham showed some early promise, it was impacted by warmer than usual average temperatures, and more than usual average rainfall. This led to unsatisfactory conditions for snowmaking which compounded the problem. As a result, the season was patchy, and there were periods of poor snow cover.

This is reflected in the visitor numbers at Mt Hotham which declined from what was a record in 2012 of 412,000 visitor days, to 265,000 visitor days in 2013. In spite of the conditions, and the overall impact on the mountain economy, Burrumbeep members and guests used the lodge consistently throughout the season, albeit not at the level of the previous year. An accommodation rate rise helped support the impact of lower usage.

As a result of strong revenue, and tight financial control, we have recorded a profit for the year of just under \$21k, as well as an enhanced cash position with cash and deposits

amounting to \$107k as at the end of our financial year on 28 February 2014. This places us in a strong position to fund maintenance and improve the lodge on an ongoing basis.

Your committee worked hard during the year, with committee meetings on five occasions during the year, including a meeting at the lodge on the Opening weekend last year. Given that more than half of our committee members are resident in rural Victoria/Tasmania, we have been conducting meetings (other than the face to face meeting in June at Mt Hotham) by teleconference organized by Rob Joyes through Colliers, which is much appreciated. This use of technology has enabled a more consistent attendance at meetings with more frequent, but shorter meetings. Of course it is important to meet in person as well, and the Opening weekend (which also doubles as Presidents weekend) provides an important opportunity for the committee to get together, as well as to see to any last minute pre-season jobs.

Also, Courtney and I attended two important stakeholder meetings on behalf of the committee. The first of these was the annual presentation in May, by the MHRMB to the lodges. This is where we hear from management about their activities, new initiatives on the mountain, financial position, marketing activities, green season plans etc.

The other meeting was the AGM of the Hotham Ski Association in November, which is the group which represents the lodges on the mountain. This year, in response to concerns of lodges

about the continually increasing costs of gas supply on the mountain, they presented a proposal for an alternative sustainable energy source involving a community geothermal energy scheme in the Davenport Village area. It is very much in the early feasibility stage, but is something we will follow with interest.

Much of the committee time last year was spent on our new lease. This time last year I reported that the site had been valued and that the Government lawyers had been instructed to prepare the new lease. The lease was basically presented as a non-negotiable document, so we had limited ability to influence any changes. Nevertheless we needed to go through the lease carefully to ensure we understood it.

The major area of success in our negotiations relates to the rental. You will recall that the annual rental is expressed as a percentage of unimproved value as determined by the Valuer General.

The original valuation was dated June 2012, and the site value was \$344k. Based on our feedback from a number of sources we sought up to date information about market transactions from MHRMB, but they refused to provide the relevant information. After considerable debate we decided to seek an up to date valuation in October 2013. That produced a value of \$285k.

As a consequence our rental for this year is \$9975, instead of \$12,293 under the previous valuation. As a bonus, the revised rent is some \$1342 less than the rent we were paying under our old lease.

The new lease has (about a week ago) finally been signed by MHRMB and is now with the Titles Office for registration, bringing to an end a three and half year saga.

I want to thank the Committee members for their support during the year. All of them have committed to their various responsibilities with diligence and enthusiasm.

Finally, I thank our members for their support of this wonderful ski club, which as a result of the lease renewal, is well positioned for a bright future. More immediately we look forward to winter and a great snow season for 2014.

John Slattery

President