

BURRUMBEEP SKI CLUB – MOUNT HOTHAM

PRESIDENTS REPORT – 2015 AGM

Members and guests,

I am pleased to present my fourth, and final, report as President of the Burrumbeep Ski Club covering the 2014/2015 financial year. I do not intend to seek reelection as President at this meeting.

The 2014 snow season at Mount Hotham proved better than 2013, when the visitor numbers to the mountain declined fairly dramatically. There were good early snowfalls in 2014, which provided a sound base for the season. As a result visitor numbers on the mountain increased by about 25% over the prior year.

As you have heard from our Treasurer and Booking Officer, in contrast to the mountain experience generally, our numbers were fairly static, partly I think, as we are restricted by the lodge capacity, and it was mostly well booked during July, August and early September which reflects the peak season usage by club members. The challenge remains to improve utilisation of the Lodge in the green season.

Significant work has been undertaken in the last year by the resort management board in support of the green season. In particular they have upgraded tracks, trails and terrain to attract bushwalkers, alpine trail runners and mountain bikers. They also relaunched their beyond Hotham four-wheel-drive event and the cool summer festival, both of which had been suspended following the 2013 bushfires. Also, the track to Dinner Plain has been completed and a number of other improvements made, including the construction of a trailhead shelter at the Mount Loch car park. Interpretive signage has been built at the winter chain bays to provide historical touring information, and signage throughout the Hotham Heights village has been upgraded, simplified and streamlined for consistency to ensure a more positive experience for visitors.

Turning back to Burrumbeep, our financial position remains very strong. As of today, we have funds on deposit totalling some \$145,000 and no debt, following a financially successful season, with an operating profit in excess of \$27,000, as explained by the Treasurer. Whilst our financial position gives us a reasonable buffer in the event of a poor season, we have a few challenges. First of all, it is hard to increase our revenue figure without increasing accommodation rates, as we generally run close to capacity in a good season. The committee remains of the view that there is potential for significant increase in the green season usage by members and guests.

In any event, we have decided not to increase the accommodation rates for this year.

The other challenge remains on the expenses side of the ledger. We are pretty good at managing expenses that we control, but the costs imposed by the resort management board continue to increase. We have been advised by the board that the service charge for 2014/2015 will be increased by 3.4%, which is the forecasted CPI growth. The service charge is the largest single item in our expenses line. The other major charges imposed by the board are for our gas usage and site rental. Gas is a problem, because it is supplied by the management board on a cost plus basis. So we have a monopoly supplier who simply passes on cost increases as they arise. The committee has decided that we should look to ways of minimising our reliance on gas, and that is an initiative which will be undertaken in the forthcoming year.

The other major item of expense is site rental, which should actually decrease this year, as a result of the reduction of rent consequent upon entry into a new lease. Incidentally, at the last AGM we had not received the formal registered lease, and I am delighted to advise that shortly after last year's AGM we received the registered lease.

I would like to talk a little about the lodge itself. At the last AGM, there was discussion about the possibility of erecting an outdoor deck adjacent to the living room area on the first floor. The committee remains favourably disposed to this idea. At the same time there is a consensus that the lodge is starting to look a little tired, and could do with a general refresh. Given our healthy financial position, we are certainly able to fund such activity.

The committee met in November and agreed to pursue discussion about the deck and the general look of the lodge. Subsequent to that meeting, when it was proposed that some painting be done to parts of the lodge, the committee took the view that prior to any further painting being undertaken, we should take professional advice about an overall colour scheme for the lodge.

In March this year, Peter Leeke and I met with an architect friend of mine, Michael Munckton, who I know is known to some of our members, on the mountain, and did a walk-through of the lodge. The purpose of the visit was not to engage Michael, but rather for him to give us his feedback as an outsider, about the lodge from a design perspective. This was done at no charge to the club, and he will have no further role. Peter and I found the visit very reassuring, in that Michael formed a very positive view of the lodge and whilst we came away with a list of very helpful observations and opportunities for improvement which the committee will work through over the forthcoming year, his overwhelming view was that he thought the lodge could be significantly improved with relatively modest expense.

Top of his list was the need to develop a colour palette for the lodge - a consistent theme for colours and finishes to guide both maintenance and the planning of any improvements to take place over the next few years. He was supportive of the idea of the outdoor deck being built at first floor level, adjacent to the living area.

At our most recent meeting, the committee considered a proposal from Nexus Design, one of the country's leading interior design firms, to produce the Burrumbeep Ski Club Style Guide which in their words " will become the reference document of approved colours and finishes that will establish and maintain a look and feel that is attractive, welcoming and appropriate for the Ski Club for many years to come. The guide will provide a simple reference to streamline the decision making process whenever maintenance or upgrades are carried out, ensuring a consistent high quality outcome".

The committee enthusiastically agreed to appoint Nexus, at a very favourable rate, and they have already undertaken a site visit, staying in the lodge overnight so as to understand better the experience of the lodge. They will present their concept to the committee in the next few weeks, and once finalised, we will arrange for the style guide and finishes board to be placed in the lodge to allow member feedback.

Before leaving the topic of the lodge, I should mention two more items. First, I was able to extend the permit we currently hold for the construction of two extra bedrooms and an outdoor deck, for another two years, enabling us to retain flexibility on that issue. Also, the committee is keen to install a more impressive sign for the lodge near the road, hopefully utilising a local stone plinth to form a more welcoming approach to the lodge, and to upgrade and extend the current entrance walkway.

I want to thank all the committee members for their diligent and enthusiastic support during the year under review, and the general membership for placing their faith in the committee. My best wishes and support are extended to the next President of this wonderful Ski Club.

John Slattery,
President,
Burrumbeep Ski Club,

19 April, 2015