

BURRUMBEEP SKI CLUB – MOUNT HOTHAM

PRESIDENTS REPORT – 2016 ANNUAL GENERAL MEETING

Good morning members and guests,

I am pleased to provide my first report as President of the Burrumbeep Ski Club in regards to the 2015/2016 financial year and particularly thank John Slattery for his mentorship over the past 12 months which provided a smooth transition of this role.

The July school holidays typically marks the first major influx of bookings for the club so each season we are anxiously waiting for those initial large dumps of snow that will form a solid base and sets up the balance of the season. Unfortunately the 2015 season was off to slow start and it wasn't until the end of the school holidays that the snow started to fall. We did have some booking cancellations over this period due to the marginal conditions which was reflected in the overall reduction in accommodation revenue 2014 \$78,000 and \$67,000. Nonetheless when the snow did arrive in mid-July the mountain experienced some fantastic ALL mountain cover (Blue Ribbon included) with large dumps of quality snow and regular top ups. The snow cover lasted well in to spring providing excellent skiing conditions and virtually the mountain to yourself. We would encourage our members and guests to consider the September school holidays as a cost effective alternative to July and August as there are a number of initiatives that the Resort management are trialling to attract more visitors to the resort. Including bring a mate and ski for free.

The Mount Hotham resort management board under the leadership of their new CEO have been refreshingly pro-active in listening to the concerns of the club stakeholders. Every Club is facing rising operating expenses which in some instances has resulted in several lodges dissolving their memberships and handing the asset back to the Resort management board.

In 2015 the Resort management board where able to fix the price of the gas supply in order to assist in containing the largest consumable expense for ALL clubs –Despite gas prices rising by 19% throughout 2015 the Resort management board absorbed this increase shielding the clubs from a significant increase.

In February 2016 the gas prices have decreased which meant the resort management board where able to pre purchase their Mountain Gas supply's which will deliver a 10% decrease in our gas charges this season. As you can see we monitor this closely along with our other suppliers to ensure we are generating savings at every opportunity.

Our committee is very conscious of these costs and are looking at alternative renewable energy options along with improving our thermal insulation but more on this shortly.

The committee have been actively building our club brand with the key stakeholders to ensure we are well positioned to take advantage of these investments.

Works are currently underway to install \$6 million dollars' worth of snowmaking equipment on the summit slope providing top to bottom skiing and the largest area of manmade snow. This will be helpful for our club in holding those early season bookings and maximise accommodation revenues.

The Lift Company is in discussions with Virgin Airlines to re-instate flights from Sydney, Melbourne, Adelaide and Brisbane to the Mount Hotham Airport at Dinner plain. Again this initiative has the potential to improve travel convenience for members and guests and will assist in attracting more skiers who have the potential to book accommodation at our club.

The final stakeholder we engage with regularly is the Hotham Ski Association who represent the interests of the ski clubs. The association have increased their add value in recent times and are regularly looking for examples of best practice to assist other clubs. The most beneficial initiative coming for the HSA in 2015 was a bench mark study that assessed the operating costs and revenue from a club that was viewed as best in class.

The committee was particularly impressed to discover that Burrumbeep had outperformed this lodge in terms of net operating surplus. Whilst Revenue was similar we had lower operating expenses so in essence we are delivering a more profitable result. Maintaining strong financial results means we can continue to invest in improving our facilities and will not need to consider a levy increase or members rates for the short to medium term.

Following the 2015 snow season and in consultation with some variations to the Nexus Design Style guide the Committee commenced planning for stage 1 of the lodge refresh and capital improvement program. High on the capital works priority list was to replace the lower lounge windows as this was going to deliver a number of game changing outcomes. First and foremost we wanted to improve the insulation of this area to minimise heat loss and potentially assist in reducing our gas consumption. Therefore three new purpose designed double glazed windows will be installed in May. We felt the aesthetics of the lower lounge area and outlook could be considerably improved by strategically increasing the window size (Depth). We had the green season as a contributing factor in improving natural light to this area. Following these works it was an opportune time to redecorate this area by repainting which will also extend to the upstairs bedrooms and hallway. Feedback from club Visitors over the Easter break was exceptional so we look forward to hearing more from our members on these exciting improvements. I would like to acknowledge the efforts of George Davies, Peter Leeke and John Slattery for their efforts in driving the planning and organisation of this project. In addition our member Brad Morrissey has kindly offered to provide the labour and expertise of his construction company to execute the works required in preparation for the new windows.

During 2015 John Slattery instigated a visit to the lodge with a Melbourne based Architect. The purpose of this visit was to seek some high level building design ideas that may be considered and incorporated in an overall master plan for the lodge. At this stage the committee do not have any significant capital works projects in planning. However there are some smaller scale improvements that will be actioned and this includes the TV room which could be better space planned to provide a more functional use of this area whilst still providing a thoroughfare to the flats, Gusts luggage storage prior check in or out, a comfortable lounge and TV viewing area as well as an alternative dining area that has a view of the valley. The committee will continue to invest in the lodge with a strong priority towards improvements that ensures our lodge is weatherproof, minimises heat loss and aesthetically appealing for a wide audience of members and guests.

Our Solar energy investment is proving to be a wise decision delivering generous electricity savings along with accumulating several thousand dollars' worth of credit. For this reason we are currently researching electric fixed wall heaters which will be trialled in both flats. In light of the renewable electricity that we are able to generate the committee may consider further investment in this area as an alternative to the gas generated hydronic heating.

As you can see our committee have been extremely busy in the off season and I thank them all for diligently executing their roles and donating their time to ensure Burrumbeep is well managed and provides a welcoming and comfortable atmosphere that has been the cornerstone of this great club for the past 41 years which we celebrated last night.

A special mention must go to our two retiring Committee members being Ceal Gubbins and John Slattery.

Ceal has held the Treasurers position for the past 7 years. As you know managing the finances in any organisation is critical and for our club would have to be the most time consuming roles for the Committee. As Gubb mentioned to me during the week Ceal's first profit and loss statement was largely collated on the dining room table at XXXXXXX but since then Ceal has effectively transitioned the finances from a very manual accounting process to what is today a more automated computer software process and assisted by Accru Accounting in Hawthorn. Ceal has been an extremely reliable contributor in her Treasurers role and goes above and beyond to ensure the Committee are kept well informed of the financial position of the club at all times. As you can see from the health of our finances Ceal has done a wonderful job as a conservative money manager and like ALL great CFO's ensures the management team aren't getting carried away on the EXPENDITURE side of the ledger.

I'm sorry that Ceal is not with us this weekend as she and Gubb have a significant family reunion that they are attending, however we will publicly acknowledge Ceal again at our Opening Weekend event in June.

John Slattery on the other hand is here today and I would like to thank John on behalf of the Club for his contribution as President of the club for 4 years and Committee member for 6 years. As you will know John was instrumental in driving our lease renewal process which was largely a 3 year journey through a myriad of bureaucracy and red tape which John managed beautifully and even achieved a cost reduction in our site rental for contesting the perceived market value of our site which we could have easily conceded.

In more recent times John has been an advocate for pushing along with our cosmetic upgrade which is being undertaken as we speak. I feel the structure and process that has been engrained in our Committee and management style is largely John's influence hence your departure from the day to day operations of the club will linger form many years to come.

In summary our club is in great shape financially and we will continue to invest and make improvements to the lodge undertaking preventative maintenance and taking these opportunities to re- fresh areas throughout the building. I would like to thank also the balance of the Committee who are all seeking re-election for their dedicated efforts and valuable contribution in ensuring our Club is well cared for and operates effectively. We would love to see more members enjoying the lodge in ALL seasons and look forward to seeing you on the slopes or stretching your legs on the fabulous walking trails around the resort.

All the best for the 2016 Snow Season,

Rob Joyes

President – Burrumbeep Ski Club