

BURRUMBEEP SKI CLUB – MOUNT HOTHAM

PRESIDENTS REPORT – 2019 ANNUAL GENERAL MEETING

Good morning members and guests,

I am pleased to provide my Fourth report as President of the Burrumbeep Ski Club in regard to the 2017/2018 financial year. I would like to acknowledge our current club Committee who meet regularly throughout the year investing their time to ensure our club continues to flourish in terms of financial long-term security but most importantly delivering a memorable experience for our members and guests throughout the ski season but also in the green season as we continue to encourage a higher degree of lodge utilisation. Some of the initiatives and capex items under consideration are certainly aimed towards attracting more visitors in the off season.

I would like to acknowledge the smooth transition of the Secretary and Memberships role from Murray Elrington to James Kelly. Murray as I highlighted at last year's AGM had performed this task for over 20 years and I know James appreciated the organised hand over of this role in April 2018. 6 months into the role we are starting to see signs of James making his mark – the first being recording committee meeting notes using his apple pen and IPAD and re-distributing 3 mins after the close of the meeting. No disrespect to you Murray this is merely the way technology continues to make our lives more productive and probably more stressful as well. I preferred the old way when we had at least two weeks grace period before the minutes arrived in your inbox and your name was pinned to 3-4 tasks to get and complete!!!

Thank you, Tim Lewis, (Booking Officer) for your contribution and holding down this most critical position for the club. Tim is always on hand to jump on any issues arising regardless of the topic and goes above and beyond to ensure our members are able to secure their bookings on their preferred dates. Once we have the members all organised Tim then works towards promoting spare beds so we can maximise the occupancy which has a significant impact to our revenue results which George will take us through shortly on behalf of Tim.

Peter Leeke and George Davies (Capital Improvement and maintenance Program) are constantly revisiting the long list of maintenance jobs required to be undertaken on an annual basis and thanks to their diligent efforts in arranging work party weekends the building is in very good order. Thanks to Foreman Leeke and Margaret, Mike and Marg Kermode, Tony Richter, David McKay and Courtney and Roz Pern for attending the March work party weekend and closing out a number of the regular maintenance items on the long list – we also appreciate Courtney's detailed report in regard to important items requiring attention.

Georgie Cruickshank (Interiors, marketing and Club communication) does a fantastic job in keeping the members informed throughout the season and has a keen eye for ensuring the cosmetic appearance of the club is maintained. The refreshed newsletter look and feel has had excellent feedback from members so thanks Georgie for your efforts. Would you all please provide your appreciation with a round of applause.

Financial position.

Peter is doing a fantastic job in his Treasurer's role ensuring the club's financial position is managed diligently and keeps a watchful eye on abnormal increases in expenses.

2017/2018 was a record year for the club – it was the first time in history that the club's revenue exceeded \$100,000.

However records are made to be broken and I'm pleased to say that our 2018 revenue was 18% up on prior year totalling \$119,000 approx. Annual levies and members and guests rates remained constant for the period and our detailed analysis also supported the fact that the number of beds occupied had increased on prior year which supported this growth in revenue. Expenses have been well managed with a reduction on prior year which meant the club received a net operating surplus of \$54,000 taking our overall cash at bank position to \$285,000 approx.

I wanted to highlight the 5 biggest operating expenses so you have full visibility and a deeper understanding of these fixed costs:

Mount Hotham Services \$24,000 per annum

(This is primarily the resort management charge related to the resort operations< Snow Clearing roads, bus service, Resort staffing etc.) Unfortunately, we do not have any control over this cost.

Gas \$13,500

(We have to stay warm- and how good is that warm shower after a hard day skiing) I don't think we can sacrifice that!! I do get somewhat frustrated when I see the windows left wide open because a bedroom is too hot due to the heater cranked full bore!! – Not an easy fix)

Mount Hotham Site Rental \$10,200 approx

Insurance \$6,100

Fire protection Services \$3,900

Grand Total \$51,000 in fixed costs which we have very limited influence over in terms of negotiating savings etc.

It's fair to say the club sits in a very secure position financially and that's how we plan to keep it. You can never be too sure what's around the corner and I'm sure the members are

pleased that the committee take a conservative approach regarding fiscal management as we are custodians of the value of your individual memberships. In saying this we are also keen to progress our Capital works program. Prior to planning for the next phase, the committee wanted to look at the data in terms of lodge utilisation as this evidence will be used to support what are the priorities in terms of renovations etc.

Membership Analysis – Key Assumptions James Kelly

The other initiative that was led by Georgie was the introduction of a survey of the members to ensure the future capital works program was aligned to what the members would like to see.

The lodge entry, ski storage room, drying room and TV room is high on the priority list.

Storage lockers

En-suite bathrooms dependent upon any expansion plans regarding bedrooms.

The committee are keen to complete at a minimum 1 renovation/improvement etc year on year so we can continue to enjoy the benefits of being a member of the club.

Another meaningful change for the resort which became unconditional on Friday was the Vail Resorts purchase of both Hotham and Falls Creek. Vail Resorts are the world's largest mountain resort owner and manager and will bring an enormous amount of expertise and capital for investment in the existing infrastructure on the Mountain. Having owned Perisher resort for several years they commenced a \$6 million dollar investment in additional snowmaking facilities and a new Quad chair the second replacement of existing T Bar's etc. Don't be surprised if we get a new quad chair in The Aust Drift area dropping lower down increasing skiable terrain significantly.

Those of you who are Hero Pass owners will also be across the Epic season pass that applies to all Vail Resort owned mountains and some of the most iconic resorts including Beaver Creek, Vail itself, Whistler Blackcomb, Heavenly mountain, Park City, Breckenridge, and that's not including the resorts in Japan.

I would like to thank the committee for donating their time and expertise as we would not be able to achieve our goals without the teamwork exhibited by this group. There are also a number of active members who also contribute to the club in many ways which we appreciate and makes the club a better place for all of us to enjoy.

I would welcome your feedback and suggestions in terms of how you think we could improve so if you any great ideas please come forward and let us know.

All the best and let's hope we have another great ski season in 2019.

Rob Joyes