

HOTHAM SKI ASSOCIATION Inc.

2009 ANNUAL GENERAL MEETING
7:30pm Monday 23th November, 2009

Mulgrave Country Club
Cnr Wellington & Jells Road, Wheelers Hill



Meeting Opened at: 7:30pm

Attendees:

Marion Paton
Geoff Pollard, Roger Davis
Rick Thorpe
Ian Taylor, Andrew Hunter
Mike Bellair
Gary Young
Eoin Barnett
John Tulloch
David Gibson
Chris Wilson
Alex Wosney
Geoff Markley
Rob Lomdahl
Wayne Kleeman
Ken Tucknott
Glenn Robertson
Michael Welsh
David Risby
Hugh Greig, Ian Nash, Bill Nash
Geoff Nixon
Lindsay Perry
Hedy Martin
David Coombes, Barbara Coombes
Belinda Trembath (Guest Speaker)

Peter Sandow (President)
Bruce Blackman (Vice President)
Rob Anderson (Secretary)
Brian Vowles (Treasurer)
Murray Neilson (Committee)
Phillip Stott (Committee)
Scott Sloane (Committee)
Sue Coulson (Executive Officer)

Nindethana
Austen Ski Club
Kongoola
APEA
Trapdoor
Peninsula
Pegasus
Burrumbeep
Shepparton Alpine Club
Shepparton & Mt Buller Ratepayers
Kalyna Ski Club
Ormond Ski Club
Wongungarra
Gravbrot Ski Club
Eiger
Asterix Ski Club
Wangaratta Ski Club
Falls Creek Alpine Assoc
Langi-Taan
Arrabri
Tallawarra Ski Club
Aardvark
Taki
Ski Lift Company

Peninsula
Dolomite
Valhalla
Tanderra
Brush
Arrabri
Pegasus
Tanderra

Apologies:

Mike Shaw, Paula Tomsett, Scott Rossetti

John Bailey

Robena Binks

Tanderra

Individual – Real Estate

IHP Alpine Club

Approval of previous minutes:

Motion : That the 2008 AGM Minutes be accepted – Moved by Rob Anderson

Second : Phil Stott

Welcome Statement: Peter Sandow

Peter opened the meeting

- Welcoming everyone
- Encouraging all to participate in summer activities/events, and advising of the great presentation from Jessica Rose at the HSA meeting during the year
- Welcoming the committee, put out invitation for new committee members to join us at the Maori Chief, details are on the web site
- Advising of Bruce Blackman and Phil Stott's application to be on the MHRMB
- Welcoming the speakers

Committee report on key issues and projects: Rob Anderson

ARWG – Peter Sandow, Murray Neilson and Rob Anderson have been on this committee, as HSA a well represented on the working group. Part of the group's main activity is to get a better deal for skiers generally and particularly site holders in terms of trying to lower costs of leases and to get better representation and make the Boards come under a reasonable governance which has not happened in the past.

Work that has been done on Governance is the SSA review, which has come up with a number of recommendations, the government sat on those recommendations for 12 months, we believe because they didn't like them, but nevertheless they have been released.

We are constantly in meetings with the DSE and Minister Jennings, trying to push a better deal for skiers, we believe we have the opportunity of shaping the future and the start of things has been new Alpine Resorts Management Boards, I Believe that interviews are currently being done for those that have applied so hopefully those that have, have been notified of interviews, but it is early days.

I would like to welcome Chris Wilson of the Mt Buller Ratepayers Association, and David Risby from the Falls Creek Association. Our associations are very close and working on this particular ARWG board there are so many common interests and the other associations are very supportive of what we wish to do.

VSA/ARC Leases. We say we had a big loss, the minister says huge win. They are coming to fruition in 2013 and will find it pretty tough on the current lease regime. Looking at site rental and valuations, this is the main problem we have in containing costs. The site valuations are based on highest and best use and we are trying to do a number of things but we are looking to go to permitted use which is most logical thing to go for but also positive discrimination and reducing rental for those lodges that have a lot of hot beds. All of these things are going to be further down the track.

New projects are aimed at lowering costs to stake holders, we are examining utility and service charges particularly on the Gas.

Fantastic Ground Thermal Heat project that B'Rush Ski Club have implemented, first in Australia for the Alpine areas, and we believe is the future of heating and keeping our operating costs low.

Treasurer's Report: Brian Vowles

This financial report is for the year 1/11/08 – 31/10/09

	DEBIT	CREDIT
Income		
Membership fees		6,340.00
Bookkeeping/Admin Fees	2,420.00	
Advertising	613.5	
Bank Charges	166.4	
Meeting Expenses	610	
ARWG Meetings	208.2	
	4,018.10	6,340.00

Bank Balance \$4346.38

We have around 90 members on our books consisting of individuals, clubs and organisations. Membership fees are our only source of income. We don't run charity events and we are a non for profit organisation.

Membership fees represented 2 years from 1/11/06 – 31/10/08

What we are proposing to do once caught up, is to go back to 12 monthly billing. We will be billing another 2 years 1/11/08 – 31/10/10. One year behind, one year in front.

As far as the work we have done on the database, we are not there yet, getting close, it has been hard getting the records up to date, thanks to Scott Sloane for redesigning the web site, it is the first step to enhance the web site so that members can keep their details up to date themselves.

Peter Sandow – advised that for many years the association has been running on a thin bases, now having got ourselves in a position where we have financial order, it will give us the opportunity to be more active.

Summer Activities: Bruce Blackman

Bruce spoke about 2 events that Peter alluded to earlier. These 2 events are being driven by the RMB, Jessica Rose asked if we could mention these again, they are on the Mt Hotham web site, of contact the RMB for details.

- Cool Summer Festival 19-21st Feb
- Beyond Hotham 8 – 18th April

What the RMB has asked the HSA and the people we represent is:

- Accommodation – if people are prepared to open their lodges as they do in winter, the RMB will book numbers
- Or the RMB could open the lodges, and somebody run them and for a nominated amount would oversee the people and as a result the RMB can't pay normal commercial rates but are more than happy to negotiate other ways, eg getting some trade off.

Please follow up with Jessica Rose, or the RMB. They currently have people coming up but don't have enough beds.

Election of Office Bearers:

The following proposals for 2009 office bearers were proposed:

Peter Sandow – President
Bruce Blackman – Vice President
Rob Anderson – Secretary
Brian Vowles – Treasurer
Murray Neilson – General Committee
Philip Stott – General Committee and Events
Scott Sloane – General Committee (in Bright – webmaster)
Sue Coulson – Executive Officer

Motion : That the above committee proposal be accepted

Second : David Coombes

Agreement by all

Peter advised two dates have been requested for attendance to the RMB, where we will discuss various issues. Please communicate anything that should be raised at the meetings.

General Business

Guest Speakers

Apologies – Brett Boatman from CFA has not arrived.

Belinda Trembath – Hotham Skiing Company

Belinda Trembath – General Manager, Hotham Skiing Company

Belinda brought along the summer time brochure that was produced by the Hotham Skiing Company, Resort Management Board and Dinner Plain Community. Everyone is free to contact the Skiing Company for additional brochures to distribute to their club.

Winter brochure is currently being worked on.

The Mt Hotham web site has now been combined to be the Hotham Ski Company AND Resort Management Board, to stop confusion.

Belinda has been the General Manager for 3 years – but 13 years with the business in various executive rolls across marketing both at Hotham and Falls Creek, first started as school student and later teaching skiing.

2009 season started with us being nervous due to the downturn from reports overseas Canada, USA and Europe. Expenses were kept tight and bookings were promising. Kevin Rudd's money helped as people skied here instead of overseas. The weather during winter was not ideal, but can't blame poor snow on the weather. The weather was either, bad, too wet, too warm, too windy which made snow making hard through June. Orchard had no more than 80 cm of snow throughout the whole season. August is still challenging possibly because people are not happy to pay full price any more, and HSC are starting to do

deals with the owners of accommodation places they manage, there is pressure on parents to not take kids out of school and extracurricular activity commitments get in the way.

MHSC is run by skier for skiers, many people have been with the company for a many number of years and passionate about the sport and the region that they work in.

MHSC – operates sports schools, retail shops, rental shops, a day care centre, run events, reservation centre, run the airport, 2 day spas, and a property management/development business.

MHSC owned by Alpine Enterprises which is in turn owned by the Living and Leisure Group Australia on the stock exchange, 5 aquariums across Australia and Asia, 2 tree top walks – the Otway fly & Illawarra fly,

Team comprises of ski people and backed by accountants.

For more details refer to The Hotham Ski Company Annual Reports on the internet.

Current staff are: Len Dobel, Gina Woodward - Marketing, Belinda Trembath – General Manager, Virginia Cubic – Human resources, Nigel Mills – Snow Sports Director, Helen Moran – Group Manager of the property side of the business.

Overview of state of play in the industry level, what are the ski companies doing grow the industry
ASAA – Australian Ski Areas Association – asaa.org.au

Aus 2009 2,017K skier days Mt Hotham will do about 240-290K (2009) came into the middle. Mt Buller caused the downturn for the year. Unfortunately the trend is that people look at Buller to see the snow conditions, if not good they don't look further and Mt Hotham misses out when they experience better snow falls.

NZ 2009 1,536K 45% of NZ visitors are international, approx 80% were Australians. A lot of NZ's marketing is the snow, where Australia doesn't promote it as much. NZ believe that their win fall had a lot to do with K Rudd money. Great access to the snow fields, great variety, and government backed.

Aus 2008 2,040k

ASAA in 2007 were given a grant through the Australian tourism development project, to do some research and come up with a strategy to grow participation in skiing and snow sports in Australia.

Summarised

- Social sport is very appealing to families and groups of friends
- It is perceived as Expensive
- Holidays hard to organise
- Need to tell stories to create memories

This gave birth to the Snow Australia campaign Snow-australia.com.au, gives a central place to market all resorts of Australia, be a social network and tell people their stories, targeting new skiers and lapsed skiers.

Snow Australia is backed by Tourism Victoria, Ski Victoria, and trying to include Ski NSW

In the past 3 years MHSC has invested in infrastructure and snow making at heavenly valley 2007/8 summer. The Resort opened June 9th and closed 6th September. There were 42 windows of opportunity to make snow. All snow guns have a computer system on the screen, a weather station on each gun and the snow making is almost automatic. MHSC made 195,000 cubic meters of snow, which is the equivalent of 9.76 meters of snow in the MCG, we could make twice in the best conditions.

There have been renovations on the children's facilities, all day care centres are fully licensed, NSW is not licensed. Mt Hotham is governed by the Victorian child care laws. Upwards 500 kids were involved in the school holiday programs, young as 2 old as 14.

A PB 400 free groomer was purchased – grooming has transformed the way you ski Hotham, challenges at Hotham is there is an abundance of advanced runs, not a lot of intermediate terrain, the way to address this is through grooming.

Philosophy at MHSC is now "It's all about the guest" (3 years ago was very different)

- Staff recruitment
- Training
- Reward recognition
- Happy staff happy guest
- Higher return rates

There is more focus on the Towies – Heavy training, smile, promotion score etc.

Developed a Net promoter score to rate skiers satisfaction – How likely are they to recommend Mt Hotham to family and friends 9-10 is a promoter, 6 below is a detractor, in between 7-8 will never give higher, then the average is calculated to get the total rate. The score for 2009 was 53%, found that people that scored our snow conditions poorly were detractors.

Qantaslink returned in 2009, there weren't enough pilots in 2008, now there are too many pilots and not enough planes. Currently in discussions to service Sydney and Melbourne. They are trying to hone in on QLD to stop them from going to NZ.

58% of guests that used the airport were new business.

Another thing that came out of the research was that people want variety, not just snow. Activities introduced were

- Harry the snow dragon
- 2 x day spas
- Après nights, wine growers doing promotions
- Kat tour (grooming people) sunset tours (watch the sunset)
- Wii comps, movie nights, night skiing (for the teenagers)
- Firework nights

It's been difficult to promote to the lodges, have made an "At Hotham Guide" to let the in house guests know, need to get email address of the lodges/lodge managers to ensure that they have the most up to date guide.

2010 – Vision

- In partnership with RMB to construct new toilets at the top of Heavenly Valley, new restaurant, expansions and office workshop
- Working on approval of additional snow guns
- Lift infrastructure.
- Adapting more to climate change

What's in it for clubs – Marketing partner program for shoulder season 50% off, pre purchase, \$1000 per club focused on driving visitation, guest experience. Can be extra revenue for your club.

Summer Activities – no money is made on Summer activities but being the largest business on Mt Hotham, believe we have an obligation to promote summer.

- DP festival of cycling
- Hotham challenge ride
- Polo match

Questions/Answers

IS a snow tube on the cards - no space in Hotham is suitable, but looking at DP

Slalom Gully – how to improve, there is a mix of speed and ages.

Have been discussing safety, helmets, liability laws, looking overseas, RMB is in charge of safety, patrollers have been assisting by slowing people down, need to educate, new signage, May be possible to give a ticket to the teacher for school students once they have been taught effectively, then they can go down.

Snake Gully - How to close off snake gully

It should be open all the time, but part of growing sport are people competing in the Australian Children's Championships. (ski racing)

Falls creek – David Risby - lift tickets what's happening, brushing up against the \$100 mark, wages going up due to an EBA, David received an email from NZ on how can they encourage people to come to NZ. NZ is government assisted, what should our government be doing, assisting with advertising, do not know how the NZ sites are increasing but are getting the same return as us.

It is possible that the valuation of properties is nothing like our, site rate and service charges.

Compared to overseas, Heavenly Valley lift is slow and inefficient, what is happening, not a priority.

Not getting the message out to the clubs. Getting everyone's email has been difficult, need to get details on the managers. Need to get to the lodge board not the lodge managers.

Activities: Phillip Stott

Muster Weekend 1st May 2010 – at the General

Host of the Queen's birthday weekend Saturday 12th June will be Tanderra

Survey

Sue Coulson has put together the commencement of a survey of lodge details to be collated and put onto a secure area of the web site, when login password applications have been completed. All is confidential and please put in as much detail as possible.

President's Report: Peter Sandow

Over the last year our ski economy has had to survive the nation's financial turbulent waters. The season snowfalls can only be described as average. The season did however start early and did finish late and it is now that the benefit of the extensive snow making facilities throughout Hotham that the snow records were reasonably well maintained. Anecdotally, the bookings were generally well down on 2008 and clubs have been struggling to maintain previous income levels. It would be useful for the HSA to gather the analytical comparable information between the clubs to understand operating costs levels and economic differences.

Throughout the State, despite the economic turndown we see strong growth in population, strong growth in transport and infrastructure and strong growth in property development. We do not see strong growth in the ski industry and ever diminishing proportion of the tourism industry.

It has been 10 years since any substantial development has been undertaken at Hotham, apart from the shared cost development of snow making and the water recycling facility. As the market share of the ski industry within the tourism industry shrink, it is not reasonable that our rates continue to be increased as site valuations which are linked to CPI and are based on the highest site use valuation possible. Rob Anderson has continued to take up this methodology argument with the Minister and will continue to press for change in this critical area.

During the year we had a good presentation from Jessica Rose who highlighted upcoming RMB initiatives for summer events. Bruce Blackman is liaising with Jessica and lists the following key calendar dates for 2010.

1. Christmas and New Year at Dinner Plain, 24 December 2009 – 1 January 2010
2. Cool Summer Festival, 19 February 2010 - 21 February 2010
3. Hotham Challenge Ride & Dinner Plain Festival Cycling, 6 March 2010 – 8 March 2010
4. Polo Match at Dinner Plain at Easter Sunday on 4 April 2010
5. Beyond Hotham 4 Wheel Drive in the High Plains, 8 April 2010 – 18 April 2010

The HSA commends these events and encourages all to participate to improve our summer offer. More Information is on the Hotham website for full information dates. The RMB is looking for co-operation from lodges to provide accommodation either to book and operate the lodge or alternatively to rent the lodge and could strike a minimal fee to rent outright.

Scott Sloane has put a lot of work into our website. It is improving greatly to provide information and news across our community. Brian Vowles and Sue Coulson have put in an enormous amount of work bringing our account up to date as most of you will be aware and creating a reliable invoicing process. As you will see from a financial report the HSA is in good hands.

By May next year, it is likely Hotham, as other resorts, will have new management boards in place. Both Bruce Blackman and Phillip Stott have applied for positions on the new Hotham RMB. Interviews will be undertaken in the New Year.

At this time, we are at a point of flux in the resort. The prospect of a new board and the new ski company lease holder, as yet has not revealed significant plans to define a particular future direction. The ski industry has been left very much to run itself relying on the ambitions of private property developers to inject funds to develop public asset. We continue to press government representation to fund public infrastructure and to review the Hotham Planning Scheme and requirements which were to be reviewed more than 2 years ago. Such requirements have not been a priority in the DSE budget.

I thank all committee members who have worked diligently over last year in their honorary positions. We seek to improve and help develop an industry to become financially sustainable and so the paying users get a say in the management of the resort, pressing government to invest in infrastructure and invest in tourism for an all seasons resort.

Meeting Closed at: 9:40pm