



# Hotham – The Winter Season 2016

Audience:  
Hotham Ski Association

Author:  
The Hotham Ski Association (HSA) Committee

Nov 2016

# Background

- The Hotham Ski Association's (HSA) original purpose was to represent the skiers of Hotham, that included all of the lodges based in the Davenport area of Hotham.
- Over the past 10 years our member base has expanded to include flat / apartment owners across the mountain, and we now represent a broader cross section of Hotham stakeholders.
- Hotham has evolved and the landscape has changed over the past 10 years. We and our members once would have considered their Hotham assets as a place of leisure and fun. Now they see themselves all as small businesses that need to run with a profit to be sustainable
- The common theme of feedback over the past 5 years we receive from our HSA members is in relation to:
  1. The overall (end to end) cost sustainability for all stakeholder groups, including our members at Hotham – i.e. it is getting harder each year to make ends meet
  2. Getting “bums in beds” is harder – the users are more selective about the standard of accommodation, when they stay, and how long they stay
  3. The fixed costs to run our small businesses are increasing at a higher rate than our ability to generate revenue

# What The Data Says

- The HSA continues to compile data and analyze the trends of Hotham.
- The following 2 slides are a good representation of why our members are providing the feedback called out in the previous slide.
- This data represents the last 13 years
- The data says:
  - Visitation is effectively flat in real numbers, and visitation is reducing versus population growth
  - HRMB operating expenses significantly exceed CPI
- The data sources are:
  - HRMB provided Annual Reports
  - CPI – Federal Government Figures
  - Population Growth – State Government Figures

## **Key Points:**

1) Expenditure - growth far exceeds both Revenue and CPI - see Graph HRMB Finances

2) Visitor Numbers - are relatively flat over 12 year period, where population has grown 13% - see Graph Hotham Visitation

# Visitation

- The data analysed is for the past 13 winter seasons at Hotham
- The mean of visitation for the past 13 years is 338,587 days
- For season 2016 the visitation was 296.632
- The past 4 years have all been below the mean

Year	Visitor Days	Mean Over Period Past 13 Years	Vic Population
2003/2004	352,320	338,587	500200
2004/2005	349,839	338,587	505200
2005/2006	297,949	338,587	516500
2006/2007	361,783	338,587	524600
2007/2008	334,787	338,587	536400
2008/2009	384,390	338,587	549600
2009/2010	376,483	338,587	558500
2010/2011	325,804	338,587	557400
2011/2012	411,495	338,587	567900
2012/2013	264,527	338,587	579100
2013/2014	332,281	338,587	588600
2014/2015	313,341	338,587	596600
2015/2016	296,632	338,587	
	4,401,631		

Note: Data source is HRMB and Alpine Resorts

# Hotham Visitation

## Visitors with Population Growth



# Visitation

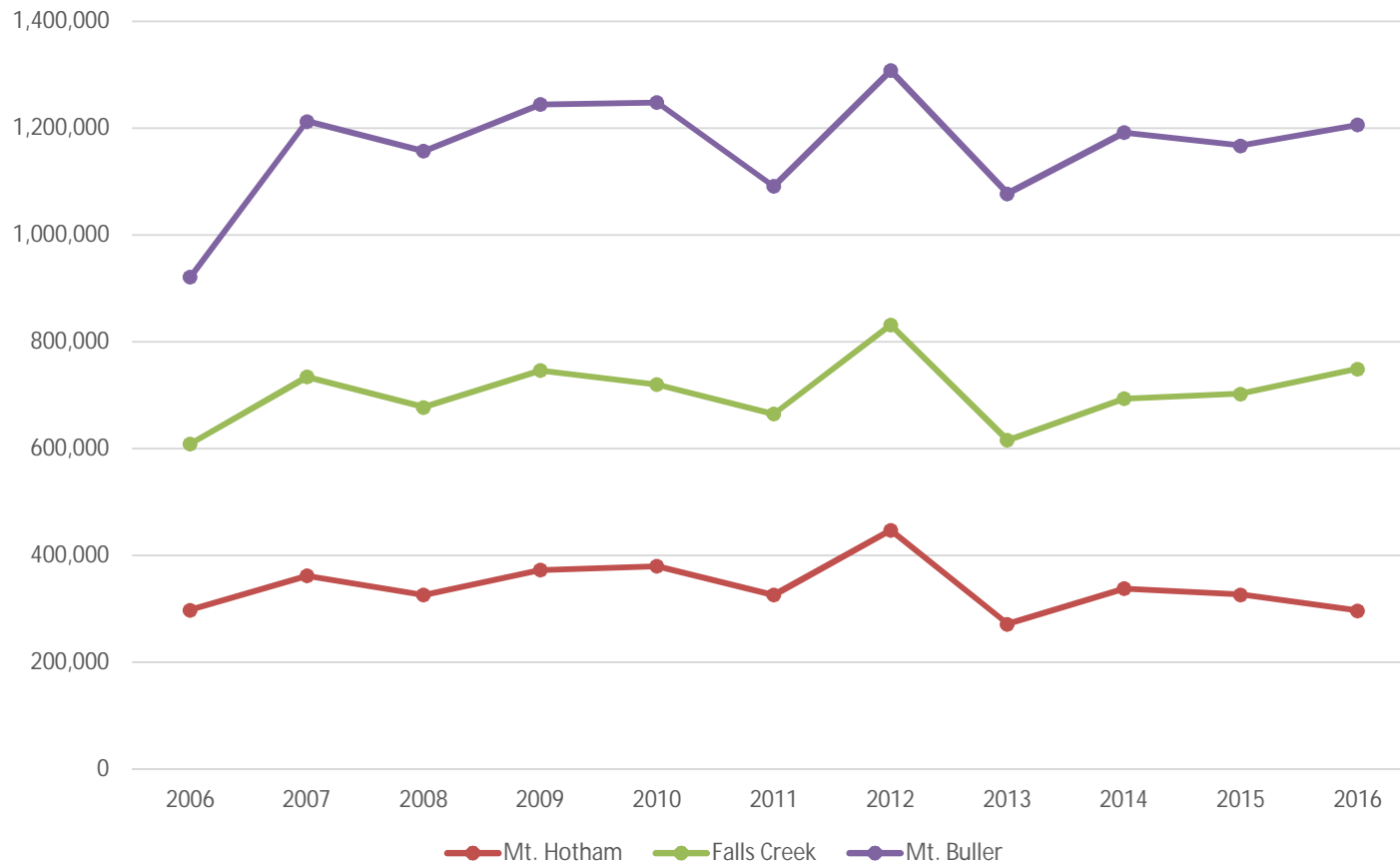
- The data analysed is for the past 11 winter seasons across the 3 major Victorian resorts
- From seasons 2015 to 2016:
  - Hotham decreased 9%
  - Falls Creek increased 20%
  - Buller decreased 2%

Year	Mt. Hotham	Falls Creek	Mt. Buller	All Resorts
2006	297,949	310,871	312,339	978,711
2007	361,783	372,551	478,889	1,398,533
2008	326,209	351,263	480,061	1,346,628
2009	372,575	373,624	498,619	1,365,039
2010	380,151	340,069	528,127	1,455,943
2011	325,804	338,940	426,659	1,234,190
2012	447,294	384,430	476,421	1,496,308
2013	271,588	344,326	461,985	1,218,167
2014	337,761	356,165	497,835	1,426,539
2015	326,826	375,870	465,014	1,391,373
2016	296,632	452,595	456,978	1,376,076

Note: Data source is HRMB and Alpine Resorts

# Hotham Visitation

Visitation - Vic 3 Mountains



# Visitation – Why are Hotham Figures Low ?

We need to understand:

1. Why overall visitor numbers have been flat for a decade
2. Why Hotham numbers are reducing

The Pros

- 2016 was a reasonable (mid) season for snow fall
- Hotham has good snow making and this continues to improve quality of snow days, and is on wider terrain
- Hotham has Dinner Plain close and this provides a broader product offering

The Cons

- Is it Hotham has older lifting infrastructure (not as many detachable's as other mountains)
- Are people put off by the "gate price"
- Access road is terrifyingly challenging compared to Falls and close compared to Buller
- More night life at Falls.
- Might be easier parking, but more expensive with the Oversnow transport which delivers you to your door.
- Falls has a prettier urban scale being clustered around the village bowl.
- Nordic skiing is just as good at Falls maybe more scenic around Rocky Valley dam.