



HSA Presentation Pack – HSA 2019 AGM

Audience:

Hotham Stakeholders

Author:

The Hotham Ski Association (HSA) Committee

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Version 1_1

The Hotham Ski Association (HSA)

- The Hotham Ski Association is a stakeholder representative group for Mount Hotham
- Our objectives include:
 - to actively engage in bringing the concerns and interests of our members to the attention of the appropriate bodies to ensure appreciation and resolution.
 - to promote the interests of leaseholders and snow sport participants at Mt Hotham.
 - to assist in the development of the Mt Hotham area as a tourist destination for all seasons.
 - to encourage snow sports and the provision of snow sport facilities at Mt Hotham

2019 from the HSA Perspective

- The Skiing:
 - We are coming off 3 above average winter years
 - The snow operations continue to do a great job
 - Snow making is a good thing and improves the quality and length of season
 - We are one lift less (The Playground), the others are a year older, and nothing known on the horizon for upgrades or new lifts
 - The busy weekends get busier, and longer queues at Heavenly and other lifts are increasing
 - The introduction of the Vail aligned lift pass products has had more negative comments than positive based on the recent HSA survey
 - We acknowledge that if you travel overseas to Vail resorts – there are positive in the new changes
- The Financial Sustainability:
 - Visitor numbers are up, aligned to snow falls
 - Lift Company costs continue to rise
 - HRMB expenditure / costs continue to rise (for some good and not so good reasons) – can the Gate Entry be held as per Falls Creek ?
 - Question / Discussion - Have we maximized our own increased revenue during the past 3 years, as we cannot expect ongoing above average winter seasons

2019 from the HSA Perspective

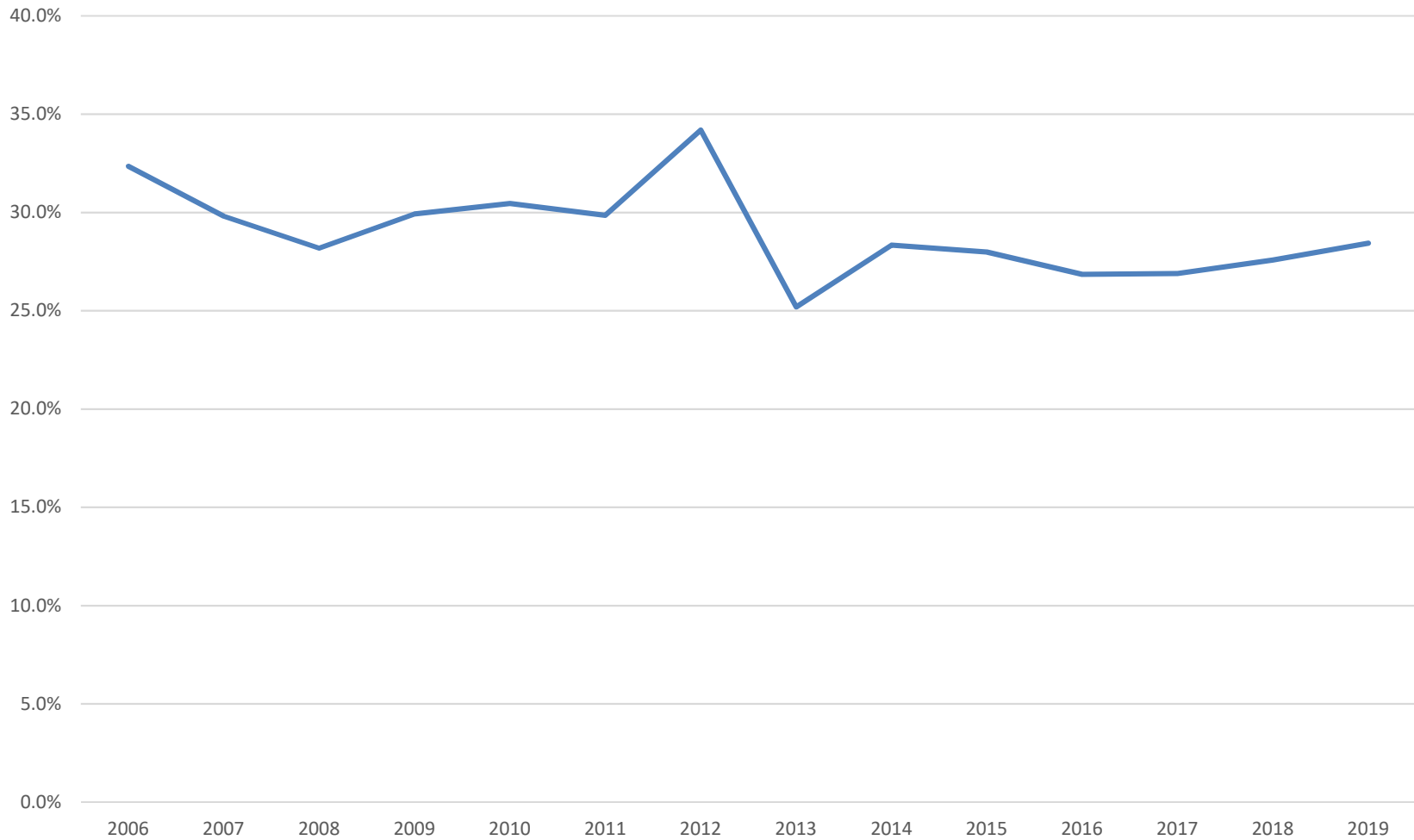
- Strategy / Master Plan:
 - Looking forward to seeing and discussing the HRMB latest Master Plan – what is happening and can we input / assist with this
 - Looking forward to seeing the updated Lift Company 10 Year Plan now Vail has taken over
- Stakeholder Representation / Governance:
 - There have been stakeholder representation changes this year, introduced in June 2019
 - This has involved monthly on mountain meetings, while being a good thing for the Chamber of Commerce and local operators, the HSA view is these are more about day to day operational matters
 - The HSA continue to push for stakeholder representation that focus on higher level and more strategic matters, the above changes have reduced the opportunity for stakeholders to meet and discuss more strategic / master plan items
 - We believe there should be more discussion on documents such as the HRMB Annual Report
 - Has the new Board Governance model improved the way the 3 mountains operate, is there a better model ?

The Data - Key Observations

- We are coming off 3 above average winter years
 - Hotham market share versus the 3 big Vic mountains is trending back up
 - *Refer to Graphs 1, 2 & 3*
 - Increased visitation versus the 16 years mean – likely due to 3 good years
 - Visitation is relative flat versus population growth
 - *Refer to Graph 4*
 - The Village (ratepayers) is relatively flat and not increasing with CPI
 - *Refer to Graph 5*
- HRMB Finances
 - Expenditure continues to track closer to Revenue over the past years – does the war chest still exist for a rainy day or string of poor seasons ?
 - *Refer to Graphs 6 & 7*
- HRMB Revenue is up by \$1.3M (11%) from the previous good year
 - Gate Entry \$3.71M is up by \$450K (13.65%) from previous year
 - Can we review gate entry pricing in-line with Falls Creek
- HRMB Expenditure is up by \$531K (4.5%) from previous year
 - Operating Expenses is up by \$730K (7%)
- **The data sources are:**
 - HRMB provided Annual Reports
 - CPI – Federal Government Figures
 - Population Growth – State Government Figures

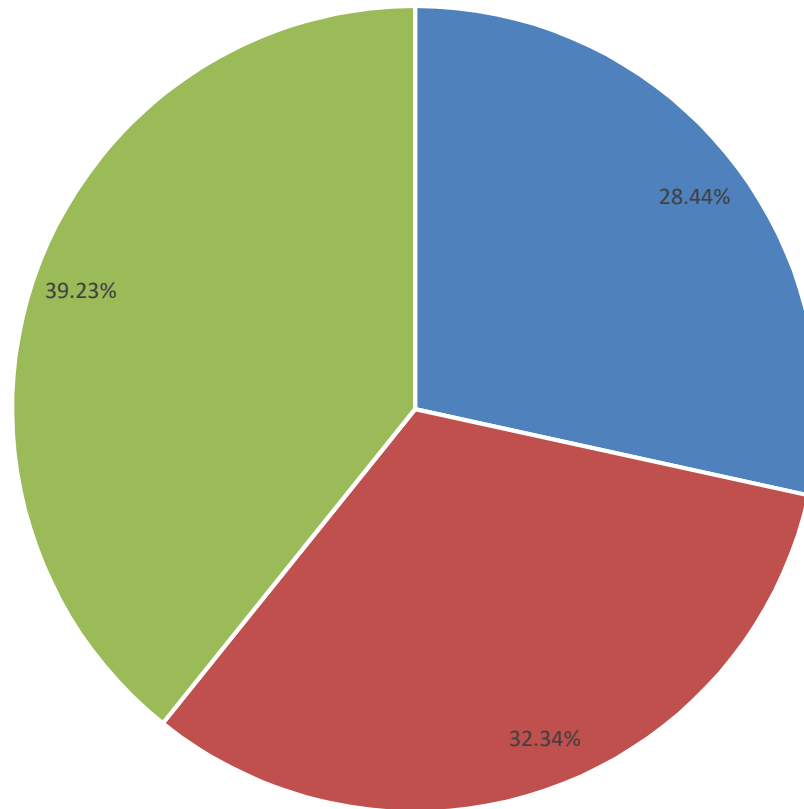
Visitation (Graph 1)

Hotham % Visitation Share



Visitation (Graph 2)

2019 Visitor Days - 3 Mountains



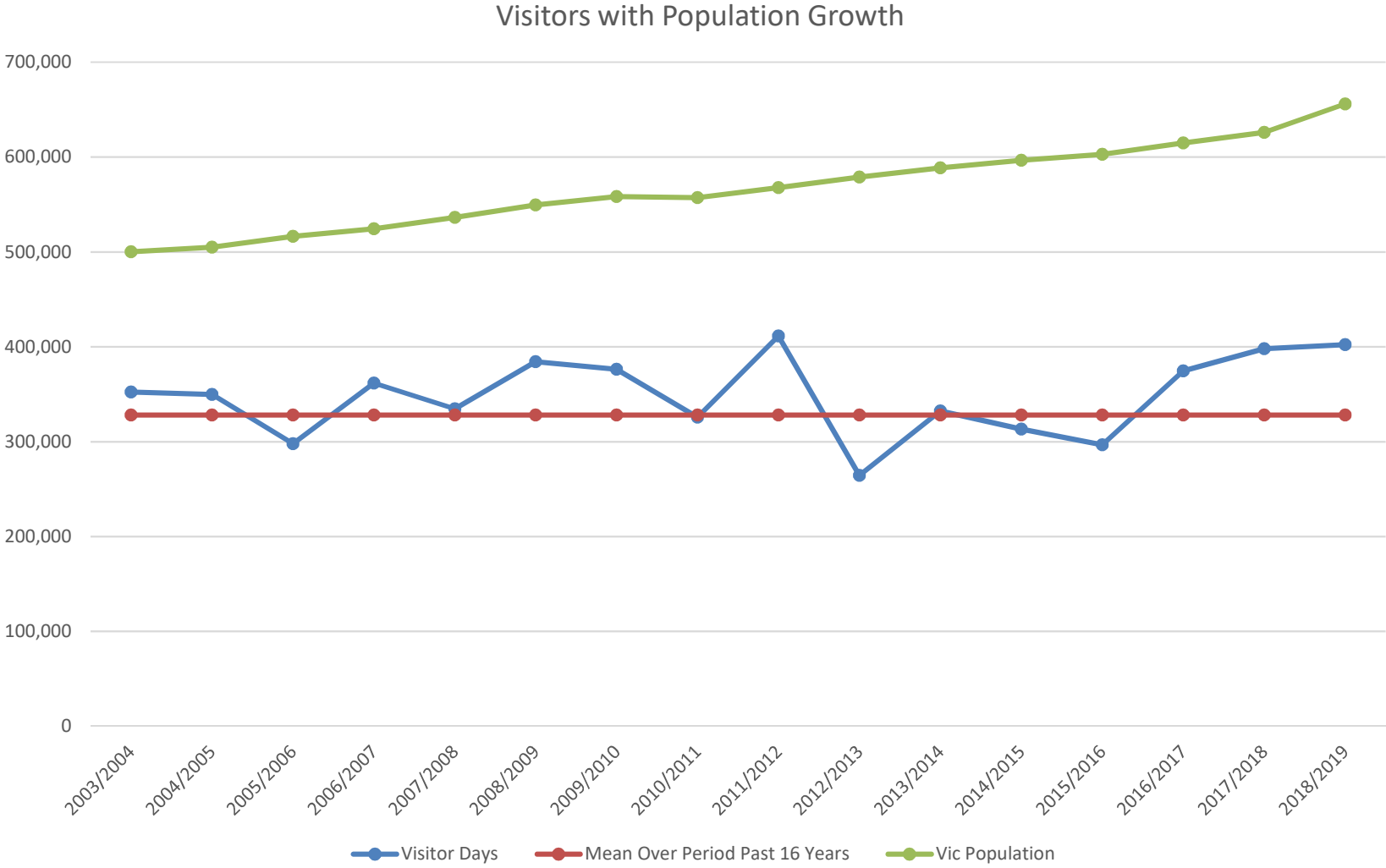
■ Mt. Hotham ■ Falls Creek ■ Mt. Buller

Visitation (Graph 3)

Visitor Days - Vic 3 Mountains

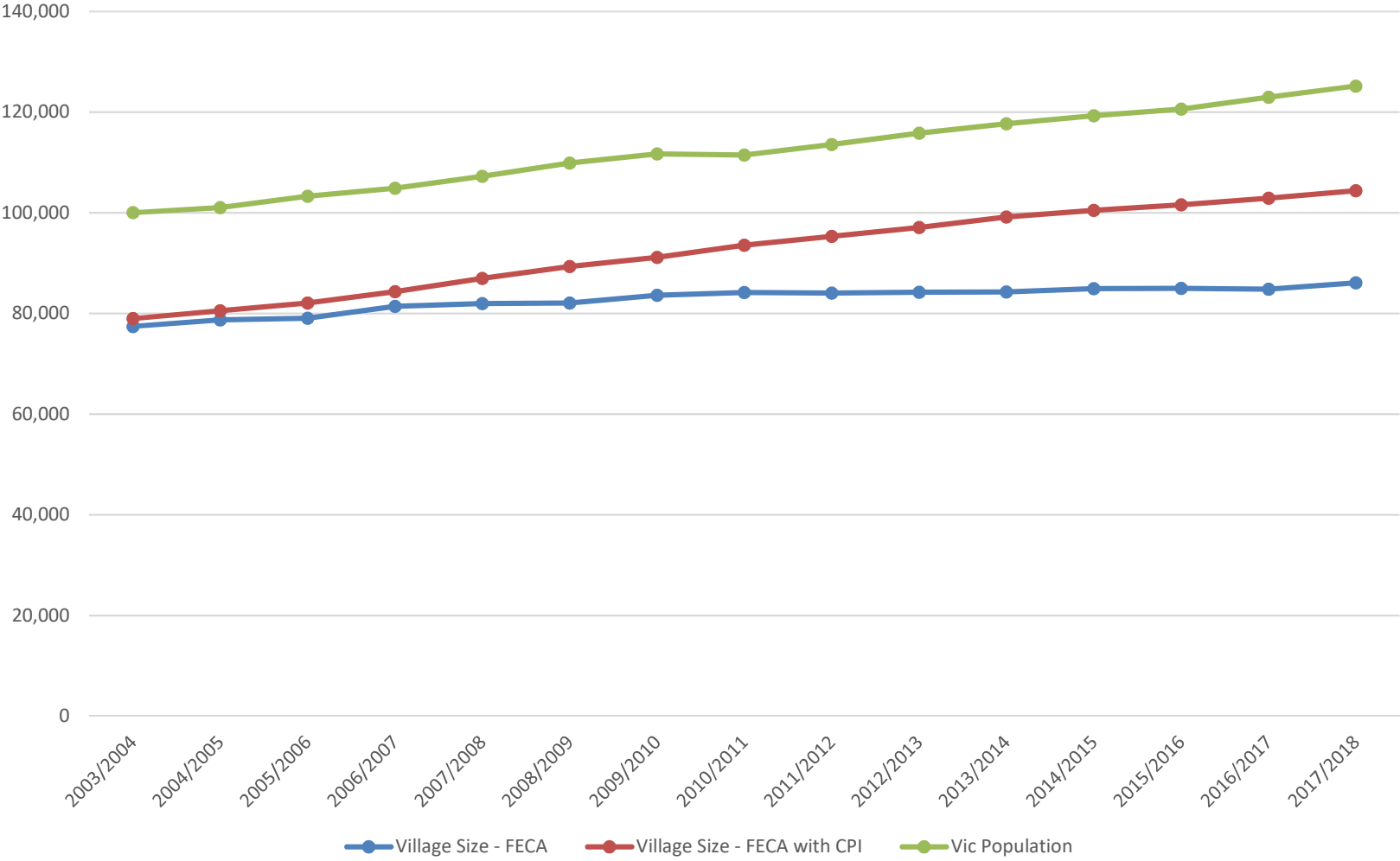


Hotham Visitation (Graph 4)



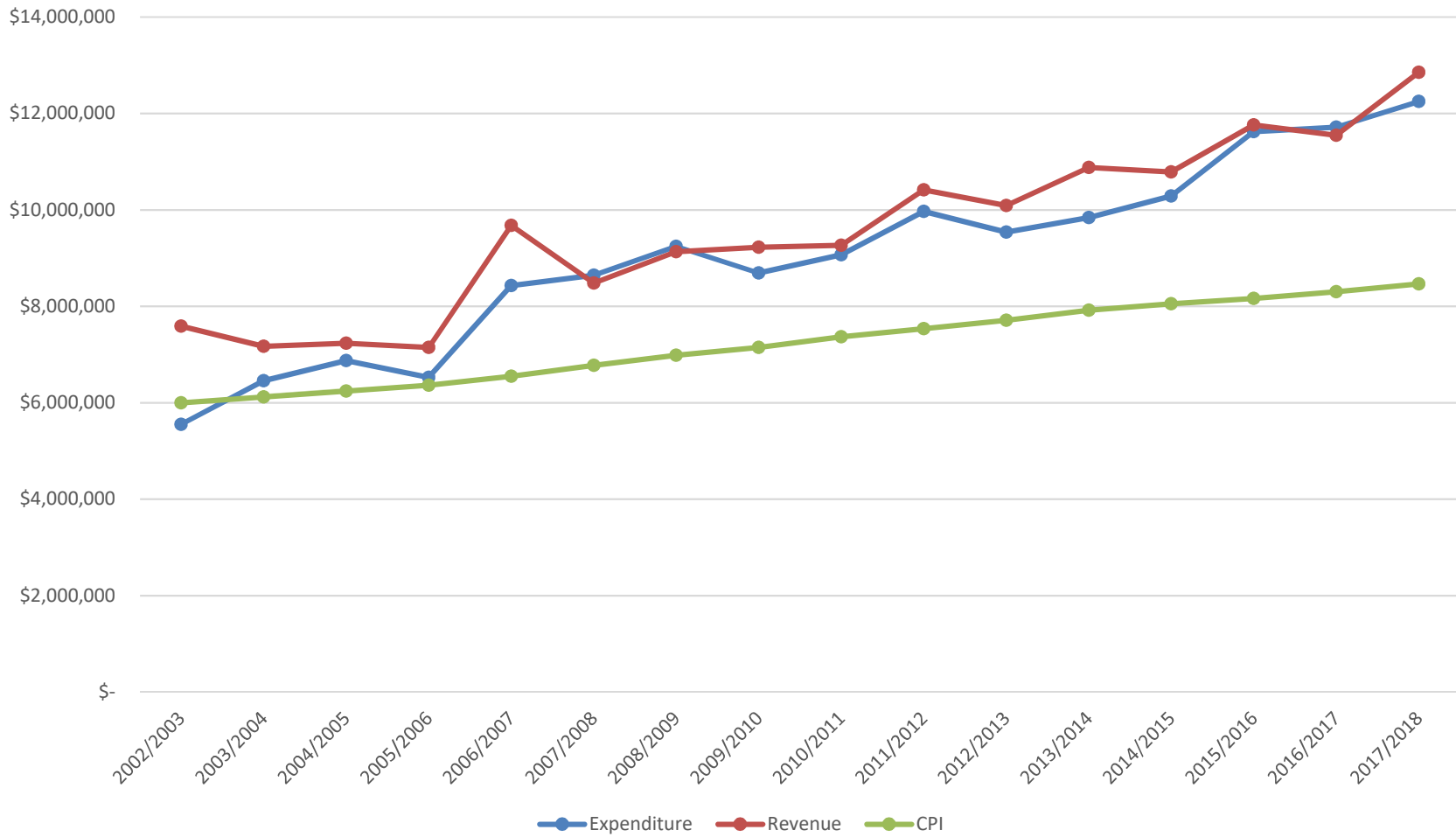
Hotham Village Growth (Graph 5)

Village Size vs CPI and Population



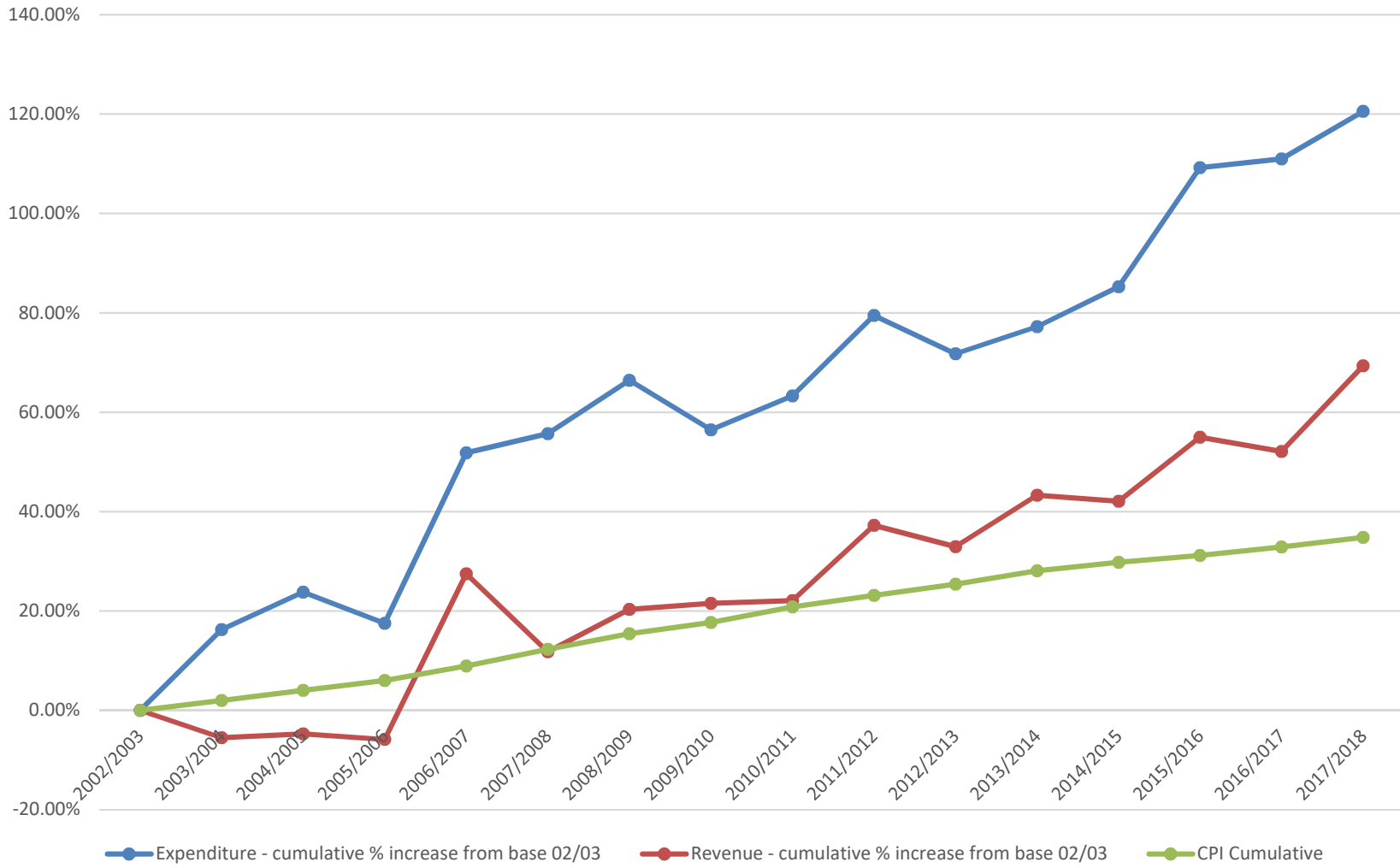
HRMB Finances (Graph 6)

Expenditure, Revenue vs CPI



HRMB Finances (Graph 7)

Expenditure, Revenue Cumulative % vs CPI



Appendix Data - Graphs 1, 2 & 3

		Mt. Baw Baw	Lake Mountain	Mt. Stirling	Year	Mt. Hotham	Falls Creek	Mt. Buller	3 Resorts	All Resorts
Visitor	2006	20,028	36,323	1,201	2006	297,949	310,871	312,339	921,159	978,711
Visitor	2007	68,259	113,743	3,308	2007	361,783	372,551	478,889	1,213,223	1,398,533
Visitor	2008	63,535	119,552	6,008	2008	326,209	351,263	480,061	1,157,533	1,346,628
Visitor	2009	52,952	61,844	5,425	2009	372,575	373,624	498,619	1,244,818	1,365,039
Visitor	2010	67,068	131,323	9,205	2010	380,151	340,069	528,127	1,248,347	1,455,943
Visitor	2011	52,347	85,145	5,295	2011	325,804	338,940	426,659	1,091,403	1,234,190
Visitor	2012	74,793	106,318	7,052	2012	447,294	384,430	476,421	1,308,145	1,496,308
Visitor	2013	60,872	72,547	6,849	2013	271,588	344,326	461,985	1,077,899	1,218,167
Visitor	2014	93,441	131,509	9,828	2014	337,761	356,165	497,835	1,191,761	1,426,539
Visitor	2015	95,073	120,913	7,677	2015	326,826	375,870	465,014	1,167,710	1,391,373
Visitor Days	2016	61,335	99,793	8,288	2016	328,602	446,037	449,157	1,223,796	1,393,212
Visitor Days	2017	76,305	125,242	10,352	2017	374,739	447,758	570,641	1,393,138	1,605,037
Visitor Days	2018	122,165	143,421	14,140	2018	398,125	450,635	594,374	1,443,134	1,722,860
Visitor Days	2019	129,054	120,554	9,729	2019	402,385	457,565	555,098	1,415,048	1,674,385
% Change for Current year vs Previous year										
		6%	-16%	-31%		1%	2%	-7%		-3
10 Year Previous YTD Average										
		75,677	107,837	8,433		348,784	386,992	498,520	1,234,296	1,426,242
% Change to 10 Year Previous Average										
		71%	12%	15%		15%	18%	11%		17

Hotham Visitor Share of 3 Mountains	
Year	% Share
2006	32.3%
2007	29.8%
2008	28.2%
2009	29.9%
2010	30.5%
2011	29.9%
2012	34.2%
2013	25.2%
2014	28.3%
2015	28.0%
2016	26.9%
2017	26.9%
2018	27.6%
2019	28.4%

Market Share	Mt. Hotham	Falls Creek	Mt. Buller	Total
2016	26.85%	36.45%	36.70%	100.00%
Market Share	Mt. Hotham	Falls Creek	Mt. Buller	Total
2017	26.90%	32.14%	40.96%	100.00%
Market Share	Mt. Hotham	Falls Creek	Mt. Buller	Total
2018	27.59%	31.23%	41.19%	100.00%
Market Share	Mt. Hotham	Falls Creek	Mt. Buller	Total
2019	28.44%	32.34%	39.23%	100.00%

Appendix Data - Graphs 4 & 5

Year	Visitor Days	Mean Over Period Past 16 Years	Vic Population
2003/2004	352,320	328,052	500200
2004/2005	349,839	328,052	505200
2005/2006	297,949	328,052	516500
2006/2007	361,783	328,052	524600
2007/2008	334,787	328,052	536400
2008/2009	384,390	328,052	549600
2009/2010	376,483	328,052	558500
2010/2011	325,804	328,052	557400
2011/2012	411,495	328,052	567900
2012/2013	264,527	328,052	579100
2013/2014	332,281	328,052	588600
2014/2015	313,341	328,052	596600
2015/2016	296,632	328,052	603000
2016/2017	374,739	328,052	615000
2017/2018	398,125	328,052	626000
2018/2019	402,385	328,052	656000
	4,776,370		

Year	Village Size - FECA	Village Size - FECA with CPI	Vic Population
2003/2004	77,450	78999.0	100040
2004/2005	78,723	80548.0	101040
2005/2006	79,091	82097.0	103300
2006/2007	81,424	84343.1	104920
2007/2008	82,004	86976.4	107280
2008/2009	82,114	89377.3	109920
2009/2010	83,621	91158.7	111700
2010/2011	84,177	93579.0	111480
2011/2012	84,068	95360.3	113580
2012/2013	84,228	97122.3	115820
2013/2014	84,270	99213.5	117720
2014/2015	84,941	100530.1	119320
2015/2016	85,013	101614.4	120600
2016/2017	84,868	102931.1	123000
2017/2018	86,095	104422.0	125200

Appendix Data - Graphs 6 & 7

Year	Expenditure	Revenue	CPI
2002/2003	\$ 5,554,000	\$ 7,591,000	\$ 6,000,000.00
2003/2004	\$ 6,456,000	\$ 7,173,000	\$ 6,120,000.00
2004/2005	\$ 6,877,000	\$ 7,233,000	\$ 6,242,400.00
2005/2006	\$ 6,526,000	\$ 7,146,000	\$ 6,367,248.00
2006/2007	\$ 8,432,000	\$ 9,677,000	\$ 6,551,898.19
2007/2008	\$ 8,646,000	\$ 8,485,000	\$ 6,774,662.73
2008/2009	\$ 9,244,000	\$ 9,134,000	\$ 6,984,677.28
2009/2010	\$ 8,691,000	\$ 9,225,000	\$ 7,145,324.85
2010/2011	\$ 9,068,000	\$ 9,269,000	\$ 7,368,616.25
2011/2012	\$ 9,967,000	\$ 10,419,000	\$ 7,538,094.43
2012/2013	\$ 9,540,000	\$ 10,091,000	\$ 7,709,586.08
2013/2014	\$ 9,844,000	\$ 10,878,000	\$ 7,917,744.90
2014/2015	\$ 10,290,000	\$ 10,787,000	\$ 8,052,346.56
2015/2016	\$ 11,621,000	\$ 11,763,000	\$ 8,165,079.42
2016/2017	\$ 11,718,000	\$ 11,546,000	\$ 8,303,885.77
2017/2018	\$ 12,249,000	\$ 12,856,000	\$ 8,463,735.57

Year	Expenditure - cumulative % increase from base 02/03	Revenue - cumulative % increase from base 02/03	CPI Cumulative
2002/2003	0.00%	0.00%	0.00%
2003/2004	16.24%	-5.51%	2.00%
2004/2005	23.82%	-4.72%	4.00%
2005/2006	17.50%	-5.86%	6.00%
2006/2007	51.82%	27.48%	8.90%
2007/2008	55.67%	11.78%	12.30%
2008/2009	66.44%	20.33%	15.40%
2009/2010	56.48%	21.53%	17.70%
2010/2011	63.27%	22.11%	20.83%
2011/2012	79.46%	37.25%	23.13%
2012/2013	71.77%	32.93%	25.40%
2013/2014	77.24%	43.30%	28.10%
2014/2015	85.27%	42.10%	29.80%
2015/2016	109.24%	54.96%	31.20%
2016/2017	110.98%	52.10%	32.90%
2017/2018	120.54%	69.36%	34.83%