



MINUTES OF 91st ANNUAL GENERAL MEETING

Wednesday 15 February 2017

Kooyong Lawn Tennis Club, 489 Glenferrie Road, Kooyong Vic 3144

1 Welcome

In accordance with the Constitution, the President, Suzie Batten, chaired the meeting.

The Chairman opened the meeting.

2 Apologies

No apologies had been received.

3 Proxies and quorum

It was noted that 32 members were present in person and 7 by proxy, giving a total of 39 members. In the circumstances, a quorum (30 members present in person or by proxy) was declared.

Proxies received were issued in favour of the following proxy holders.

| Proxy holders | Number |
|-------------------------------|----------|
| The Chairman | 5 |
| Max Docking | 1 |
| Sonia Evans | 1 |
| Total proxies received | 7 |

4 Confirmation of Minutes

The members approved the minutes of the Annual General Meeting held on 17 February 2016 as a true record of that meeting.

5 President's Report

The Chairman presented the Presidents Report, a copy of which is attached to these minutes.

6 Financial Reports to 31 October 2016

The Treasurer reported that the Financial Statements for the year ended 31 October 2016 had been posted and outlined key factors in the Treasurer's Reports, a copy of which is attached to these minutes.

7 Election of Directors

The Secretary advised that there were two Board vacancies, due to the rotation of one director (Suzie Batten), and the retirement of Catherine Wright.

The Secretary advised that:

- Suzie Batten was standing for re-election to the Board;
- A Board nomination had been received for James Soutter.

James was invited to say a few words and introduce himself to the meeting, providing a brief description of his professional experience and his association with skiing and the SCV.

On a show of hands the members passed a resolution electing the following candidates to the Board:

- Suzie Batten
- James Soutter

8 Special Resolution

The Secretary explained that:

- The Club had commenced significant summer operations and was now catering for existing members and an increasing number of cyclists and other visitors to the Club outside the ski season.
- The Club's constitution does not provide for the appointment of summer members. In order to facilitate the admission of those who wish to use the Club's premises outside the ski season, it was proposed that certain amendments be made to the Club's constitution.

The Secretary moved a special resolution in the following terms:

That the Constitution of The Ski Club of Victoria be amended by:

1. Inserting the following heading and paragraph after paragraph 2.1(t):

Summer Members

- (u) Persons who ordinarily reside more than ten kilometres from Mount Buller and satisfy one of the following:
 - (i) Attend Mount Buller to pursue general summer alpine activities, including mountain biking, cycling, bushwalking, running and sightseeing; or
 - (ii) Attend Company premises for the purpose of attending any special function or occasion or event of which the Board has given prior approval; or
 - (iii) Reside at Mount Buller for at least one night and wish to attend Company premises for a meal or refreshment or to inspect the premises with the view to becoming a Member;may be elected as Summer Members.
- (v) Summer Members shall be entitled to such privileges in relation to the Company's premises and facilities as the Board may determine from time to time but shall not be entitled to vote or to be elected as an officer or member of the Board. Summer Members' privilege shall only apply outside the ski season.
- (w) For the purposes of paragraph 2.1(v), "**the ski season**" in a year means the period commencing on the earlier of:
 - (i) the day that at least one ski lift commences operating at Mt Buller for the purposes of snow sport activities; and
 - (ii) the official opening of the Ski Season as announced by the operator of the ski lifts at Mt Buller,and concluding on the last day that ski lifts operate at Mt Buller for the purposes of snow sport activities, provided that the Board may declare that the ski season commences and concludes at other times.

2. Amending paragraph 2.2(i), according to the marked up amendments as follows:

Restricted Associate, ~~and~~ Temporary and Summer Members

- (i) The General Manager may admit Restricted Associate, ~~and~~ Temporary and



Summer Members provided that the Board ratifies such admission at the next available Board Meeting. The General Manager shall use an admission procedure approved by the Board.

The members present passed the motion unanimously.

9 Other Business

The Chairman thanked Catherine Wright (who retired from the Board during the year) for her contribution to the Board and the Club over the past 3 years.

The President and Matt Hill addressed questions on the proposed development and explained that earlier development plans were no longer being pursued due to expected difficulties arising from planning objections. New plans were now being investigated and further information will be announced in due course.

10 Meeting close

Their being no further business, the meeting was declared closed.

Signed by Chair as a true record:

President: Suzie Batten

Date:



President's Report

Presented by Suzie Batten, President of the SCV, at the AGM held on 15 February 2017.

Good evening, thank you for joining us, and a very warm welcome to you all.

I am pleased to present some of the highlights of the Club's operations for the past year, give thanks to a number of people and present an overview of our plans for the coming season.

2016 has been another successful year for the club, under our excellent general manager Eric Siewert.

The accommodation, food and beverage offerings at the club continue to be of high quality and club visitation has continued to grow. Food and beverage takings have increased by \$100,000 from last year and \$400,000 since 2014.

A reasonable snow season allowed the club to again host its very successful racing program, with record numbers participating in what has become a fun, positive afternoon experience for members. We greatly appreciate the support of Carmans, owned by member Carolyn Creswell, as our new racing sponsor. Carolyn provided new racing bibs. She has also been a generous supporter of the Coffee Garage and the breakfast offerings in the Whitt.

Membership levels also continue to steadily grow and there is great energy from the new generation of young families in the club. Revenue from membership increased by \$25,000 on last year.

We launched of a new SCV website and newsletter format, we hope you all agree these are a vast improvement in appearance and readability.

Also on communications, about 100 people have responded to our member survey. Feedback to date has been positive with a Net Promoter Score of 40 and some great suggestions on opportunities to enhance the club as the place to be on the mountain. There was also strong acknowledgement for Eric and his broader team was throughout the survey comments. We appreciate the time taken by members to complete this survey and encourage anyone who hasn't to please do so.

The Christmas Party, held at the Toorak Bowling Club, featured games, finger food, a sausage sizzle and the awarding of all our club champions.

Two highlights of the year were the launch of The Coffee Garage, in the converted Whitt garage, and the Bike Club of Victoria. These were Eric's ideas and have both proven very popular and likely to become permanent features of the club.

The club has remained open all Summer, the only club on the mountain to do so. This has enabled us to attract good business from the summer trade workers as well as visitors to the mountain.

The financial statements report a loss of \$63,000 for the year, however there are a number of reasons for this and the underlying performance is stronger than it appears.

The contributing factors include

- Payroll tax payments of \$20,000 for the last three years. Until this year it was understood the club was exempt from payroll tax as we were below the threshold however we were advised that this was not the case and required to pay a catch up amount.
- In 2016 Ian Coltman and Eric participated in a research trip to Japan with the Mt Buller Chamber of Commerce to look at sister resorts and opportunities to expand our offering and membership. The conclusion was that club is not in a financial position to grow into an overseas destination at this stage, and we are a little late for hunting down a bargain in this destination. The cost of the trip was \$15,000.
- We expensed \$15,000 on IT upgrades and system repairs to address ageing infrastructure and \$18,000 on design, including the upgrade of the SCV website and the new Bike Club website

- Operational expenses included a crockery upgrade of \$9,000 and repairs and maintenance of \$23,000. The club continues to address ageing infrastructure and catching up on a long period of under-investment.
- Sponsorship income decreased \$10,000, which included the loss of Lavazza at \$5,500 per annum, which had been invoiced in 2015 but had to be reversed in 2016 as we discovered the contract was only two years having been previously advised it ran for three.
- Snow clearing costs increased \$4,000

This meant total expenses increased by about \$100,000.

The club has adopted a conservative policy of expensing many items, which also reduced profit. This was important while negotiating the lease as we did not wish to give the appearance we were making high profits.

The P&L also includes \$175,000 of depreciation, so in fact we are cashflow positive and maintaining a healthy cash balance to sustain the club.

Nevertheless, the focus this year will be on reigning in operating costs and returning the club to profitability. This will be a challenge, as for the first time this year we will be required to pay rent. However we believe we can manage it and the budget for 2017 indicates a small profit.

Before we move onto more strategic matters, I would like to ask you all to acknowledge the extraordinary hard work of Eric Siewert and thank him for his ongoing contribution to the club.

A significant achievement this year has been the signing of a new lease for the club. For 45 years until July 2015 the club was on a forestry commission lease, paying a peppercorn rental of about \$2000 per annum. The government introduced a new alpine leasing policy requiring all establishments to move onto a commercial rent. The Valuer General valued the Whitt and Kandahar sites (on an unimproved, 'highest and best use' basis) at \$3.1 million, which implied annual rent of \$126,000 per annum. Negotiations with resort management brought that figure down to a more manageable figure. The lease is a five-year 'development' lease, which carries with it an expectation that we will somehow develop the underdeveloped Whitt site.

It was for this reason that we launched the development of the Whitt Apartments, next door to Woollybutt. However on consulting with our neighbours during the year, they expressed views that the proposed development was inappropriate for various reasons including scale, proximity to boundaries, access and snow gums. As we were concerned about the costs and risks to the Club of a VCAT hearing, we sought advice from a VCAT specialist planner and a QC. Their advice was that the issues raised would most likely prevent the project from proceeding. Consequently we have decided not to proceed with the development as planned.

We are now exploring other possible ways to develop the site, including an option to redevelop part of the existing Whitt building, integrating some underground car parking, and a new apartment block in a better location with a greater chance of success. We will share concepts and provide an update as soon as possible. A great deal of work has gone into the planning of these developments, much of it voluntary. I would like to again acknowledge the extraordinary contribution of leading architect and club life member Peter McIntyre, to this project.

One of our Board directors, Catherine Wright, resigned during the year for personal reasons. We thank Cat for her much appreciated contribution, particularly in respect of the heritage displays, childrens' programs and assistance with the development planning, and wish her well.

I would like to extend a warm welcome to James Soutter, who is the only nominee standing for a board directorship this evening. We will come to the election shortly. James has a background in funds management and is a keen family member. I would like to invite James to say a few words.

It would be remiss of me not to thank my remaining board colleagues: Renee Monkman-Straub who has provided valuable input this year on HR matters as well as organising the racing, the Christmas Party and the members' survey; Neil Plumridge and Brian Abbott who run our finance committee, Ian Coltman the company secretary, Matt Hill who continues to oversee the

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development project, Sonia Evans who helps with social media and takes our Board minutes, and Miranda Lansell on branding 'quality control'.

I think it would be appropriate now to acknowledge the contribution of all our board members, who work very hard, voluntarily, for the good of your club.

I would like to thank our 2016 sponsors and encourage members to support them. In particular, thank you to financial sponsors Patterson Chaney, Mogul Ski World, IBG Insurance Brokers, Cobram Estate, Teska Carson - and in-kind sponsors Mt Buller Ski Lifts, Pension Grimus, Head Skis, Big Balloon, and Carolyn Cresswell and Carmans.

Finally, thank you to all our members for your support of this wonderful Club.

Thank you all for attending this evening, we look forward to having a drink with you after the meeting.



Treasurer’s Report

Presented by Brian Abbott, Treasurer of the SCV, at the AGM held on 15 February 2017.

1. Revenue

Club revenue has grown at 4.5% for the past years compared with trend of 6.7%.

The key contributors to this result are:

| Department | CY Revenue | CY Costs |
|---------------|---------------------------|---------------------------|
| F&B | 11.8% (vs trend of 13.3%) | 19.3% (vs trend of 12.4%) |
| Accommodation | -4.6% (vs trend of -1.8%) | -13.1% (vs trend of -18%) |

The primary growth area in the past 12 months was in F&B revenue however costs outpaced revenue leading to a below trend growth for the past year. Member revenue for F&B as a proportion of the total continues to increase with the ratio now over 60% member vs 40% non-member.

Accommodation continues to be challenging, particularly midweek, however a neutral result was obtained through effective cost control despite reduced revenues.

2. F&B Costs

F&B costs have slightly outstripped revenue growth due to a number of one-off factors:

- Payroll tax was paid for the past 3 years due to a re-interpretation of the rules governing the club (this also affected administration costs) - \$20K
- Crockery upgrade to replaced unmatched and chipped items - \$9K

In addition, efficiency gains in the kitchen and better controls will see a marked improvement for the 2017 year.

A key challenge to be resolved is that staffing levels are pegged to the weekend demand, but a certain number of personnel must be kept on midweek to ensure coverage of the weekend, leading to higher costs than desirable. At present, this means we have ample midweek capacity and if we can increase midweek occupancy/patronage, this situation will improve substantially.

3. Administration expenses

Employee admin expenses were higher (CY 8.1% vs trend 7.8%), however with changes to staffing levels now the operation is more stable this will be resolved and will be below trend for 2017.

4. Operating expenses

Gas and Electricity costs have remained constant for the past 4 years despite substantial price rises through more effective management of heating, particularly during periods of low occupancy.

Repairs and Maintenance continue to be a problem given the age of the infrastructure. Again we have had to effect urgent repairs during the season of \$23K. In addition sun deck railing and veranda upgrade works of \$90K were required last season to comply with safety regulations and this is now hitting the bottom line as depreciation.



Snow clearing costs, SCV website and Bike Club website and additional signage by \$22K.

I.T. upgrades to the core applications software and other equipment and cabling of \$15.5K.

5. Membership

Membership revenues increased by 21.4% (compared with trend of 5.2%). This is a healthy return to growth and validates the investment into the kitchen and facilities over the past 3 years.

6. Rent

We have been advised by the RMB of our new rent commencing from 1 December 2016. This is factored into the budget for 2017 and despite the increase we are expecting a healthy profit.

7. Result

The club returned a loss of \$64K for the 2016 financial year after depreciation expenses.

Key contributing factors in addition to the above points were:

- The early end to the season in September due to poor weather then lack of snow.
- Inter-schools Nationals were held at Perisher last year, but the good news is it is back at Mt Buller this year. In the previous year this had a \$20K+ effect on profitability.

The 2017 year will see substantial improvement on this despite the rental increase, with contributions from the summer operations, F&B efficiencies and staffing changes and a reduction in the one-off expenses, expected to reduce from \$104K this year to half that next year.