



IMPORTANT NOTICE TO MEMBERS OF GEEBUNG SKI CLUB

5th May 2020

Re: COVID-19 Update & Special Levy

Dear Members,

The Committee have come together twice since our last communication to discuss the impact of COVID-19 on the Club.

It remains unclear to what extent Thredbo and Perisher may be able to operate this season. We are currently assuming that at best we may only see some limited operations later in the season. With the lodges not operating as normal we will experience a significant reduction in income for the Club this year and next (due to booking credits).

The Committee have explored all avenues for financial relief via State and Federal Government packages and rent relief. In detail, we have assessed all three Government options and unfortunately at this stage we are not eligible, as listed below:

- 1: The Federal government is paying up to \$100K tax free for any company who has employees. This is calculated by the amount of PAYG deducted from employees in the March 2020 quarter.
- 2: JobKeeper. This is a package where companies and sole traders who employ staff can be reimbursed up to \$1,500 per fortnight per eligible employee.
- 3: The NSW Government is giving \$10,000 to any organisation who has been directly affected by the Coronavirus. The main criteria is that they have between 1 to 19 employees.

Evidently, Government Assistance revolves around having employees. Our Lodge Managers and our Booking Clerk are all contractors, therefore we are not eligible for any of the above.

We are also liaising with SLOPES (representative body for ski lodges) who are collectively bargaining on behalf of Clubs to secure some rent relief. However, it is entirely speculative at this stage as to what, if any, rent relief may be offered.

The Club's insurance premium has significantly increased post the recent bushfires and has doubled to \$50,000, which we were only notified of a fortnight ago. We attempted to negotiate a better premium, however, with the discovery that there is now only one underwriter this has been a challenge.

The cladding project at Perisher and the refurbishment of the lower lounge at Thredbo which were underway prior to the crisis have now reduced our cash reserves and they need to be replenished. On the up side, the work that has been completed is excellent and you can view some images of the upgrades on the [Geebung Facebook Page](#).

As Geebung is unable to borrow funds from lenders, the Club's recent practice has been to endeavour to always maintain a cash reserve of at least \$100,000 to cover any unexpected expenses.

In order to maintain this prudent level of cash reserve by the end of this year, we have decided that a special levy of \$150.00 is required to be issued to each member.

By later this year we will be in a better position to judge what our cash flow needs will be in 2021, however, to be transparent, we currently envisage the 2021 annual subscription will unfortunately need to be increased to cover our new, post-bushfire and COVID-19 crisis, baseline operating expenditure.

An invoice will be issued to each member in the next week via email. We encourage members to pay as soon as possible however we have allowed a 3 months grace period as we are conscious of the impact on members, especially those who have more than one family member. If any member feels that because of their particular financial position they will be unable to pay the levy by the due date, please advise Louise in writing and the Committee will consider extensions of time to pay based on compassionate grounds.

Thank you for your understanding and we are looking forward to the re-opening of the lodges as soon as feasible.

Regards,

Geebung Ski Club Committee